CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 MAYOR'S FOREWORD

The 2014/2015 Annual Report of the Emnambithi/Ladysmith Municipality has been developed in line with the National Treasury's Circular No. 63 (New Annual Report Format and Content) and is submitted in compliance with various pieces of legislation, such as Section 46 of the Local Government: Municipal Systems Act No. 32 of 2000 and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No. 56 of 2003.

This Report reflects the key strategic and service delivery related projects and programmes undertaken by the Municipality during the review period. These include the projects undertaken in terms of our Municipal Integrated Development Plan (IDP) adopted by Council in June 2014.

The highlights and successes detailed in this Annual Report were undertaken in line with the strategic objectives of the Municipality, which include the following:

- Ensuring access to basic services for all resident communities in Emnambithi/Ladysmith.
- Developing and sustaining the spatial, natural and built environment.
- Providing integrated, adequate and sustainable human settlements to all deserving beneficiaries.
- Ensuring sound financial viability and management.
- Ensuring a culture of public participation in municipal planning, budgeting and decision-making processes.

An Integrated Development Planning and Budget public participation processes was undertaken, which involves political office bearers to address and interact with public. In the future Constituency week will be introduced to all Municipal Councillors to visit and interact with their diverse communities.

Lastly, I would like to express my sincere gratitude to all Councillors, officials, the communities of Emnambithi/Ladysmith and stakeholders for their dedication, support and co-operation, which enabled the institution to record all service delivery progress during the year under review.

I thank you

Cllr MV Madlala
Mayor: Emnambithi/Ladysmith Municipality

1.2. EXECUTIVE SUMMARY

1.2.1. MUNICIPAL MANAGER'S OVERVIEW

I wish to thank the Honourable Mayor, Councillor M V Madlala, Honourable Speaker, Councillor Z Rassool and all Councillors for their sterling effort during the 2014/2015 financial year. They have managed to guide us towards the right direction and provided the necessary support to all Officials and members of the community. They have managed to review more than twenty policies during the financial year in order to strengthen our municipal governance systems. They ensured that portfolio committees are held and attended to ensure that issues affecting our communities are addressed.

We also wish to extend our warm appreciation to the ward committee members who are always available to assist our ward councillors in performing their duties. They voluntarily assist with tasks without being properly equipped and the stipend they receive is not sufficient to address concerns received from their constituencies. To our ward councillors I pray that the Creator may always give them strength to deal with all issues of service delivery. May God strengthen their humble spirit in their souls and protect them from any evil forces that seek to derail their goals.

This financial year (2014/2015) was one period that would always be remembered in the history of this Municipality. It is a period where we were informed of the first Clean Audit achievement as a result of the 2013/2014 audit process. It is the year in which we lost many employees especially in the strategic positions. It is the year where we had many community protests as a results of service that are not offered by our municipality i.e. electricity protests in the Eskom area and Water protests that are controlled by Uthukela District Municipality. It is for this reason that I thank our dedicated senior managers who have managed to steer the ship under difficult circumstances. I will not be doing justice if I omit the critical role played by our foot-soldiers (staff members) that worked tirelessly to ensure that our communities' lives are improved within the legislative processes. Our shop-stewards have been a van-guard of the working force to ensure that they get their maximum protection and also adhere to the labour related principles.

We took it upon ourselves to reduce unnecessary expenditure and this forms part of our cost cutting measures especially on the fixed costs. This had a drastic effect on the ground and that disabled our working machinery due to 800 workers that were retrenched. The ripple effect of this move was realized when the numbers increased in our indigent register and that means more than 800 families were left with no food on their tables. Contrary to this view was the fact that the municipality moved away from the cash flow problems to a sound liquidity ratio. That allowed us to continue to fund our capital projects without going out on loan and this trend been observed over the last five years. Our average collection ratio has relatively decreased during the financial year and that warranted us to review our budget during the mid-term assessment. Only two projects could not be completed in this financial as a result of external forces and we hope that those challenges will be addressed in the next financial period.

We noted that a number of shops in the CBD struggled to continue with their operations and a number of jobs were shed as a result. We believe that our local investors still have confidence in this town due to the expansion of Sumitomo (Dunlop), extension of Murchison

Mall and a newly established mini-casino for the first time in Ladysmith. We are looking forward for a smooth transition of our merger with Indaka Local Municipality and the support that is provided by our District Municipality is highly commended.

In closing I would once more like to thank the following independent bodies that are there to ensure that comply with the relevant legislations: Audit Committee, Performance Audit Committee, Rates Appeal Tribunal. I will not omit the Emnambithi Business Chamber, Ladysmith Business Chamber, Klip River Taxi Association, Informal Traders Association and COSATU Local.

I thank you,

M P KHATHIDE
MUNICIPAL MANAGER-Emnambithi/Ladysmith Municipality

1.2.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

(a) Population Details (Census); Households and poor households (Current Year); Socio Economic Status

1.1. Overview

The Emnambithi/Ladysmith Municipality is a category B municipality and is located in the Northern part of KwaZulu Natal. It is one of the five municipalities in the Uthukela District. The Municipality is strategically located along the N3 corridor which ling Durban and Gauteng as well as the N11 which links it with Mpumalanga and Orange Free State provinces and as such its long term vision is to be the first metro municipality in the northern region. It has the highest population numbers compared to other municipalities and it is the most developed and serves as the regional economic hub in the district as most government regional offices and Industrial areas are located within the municipality.

Emnambithi/Ladysmith spans over an area of 3020Km2 of which 70% is rural land with limited basic services and infrastructure. Emnambithi/ Ladysmith Municipality (ELM) comprises of 27 wards with 13 of those being rural wards and some of them administered by the Traditional Authorities name Inkosi Khumalo in Driefontein Block and Inkosi Shabalala in Matiwane. This situation will change though in the next coming year since the amalgamation process of Emnambithi and Indaka municipalities is already underway.

1.2 THE MUNICIPALITY AT A GLANCE

The following table seeks to summarize key municipal statistics:

Table 1:

TOTAL POPULATION	**237 000**
POPULATION GROWTH RATE	0.52%
AVERAGE HOUSEHOLD SIZE	4

UNEMPLOYMENT	34%
FLUSH TOILET CONNECTED	51.6%
WEEKLY REFUSE REMOVAL	58.1%
ELECTRICITY FOR LIGHTINING	82.1%

1.2.1 Spatial Planning

The Emnambithi/ Ladysmith Municipality (ELM) is strategically located at the intersection of two major national development corridors and trade routes that is: The N11 which runs in a north south direction linking KwaZulu-Natal with Mpumalanga Province; and The N3 which runs in an east west direction linking Durban and Johannesburg Metropolitan areas.

A Railway line linking KwaZulu-Natal and provinces such as Gauteng and Mpumalanga also runs through the area creating opportunities for the municipality to benefit from the recently announced rail infrastructure development programme. To realise this benefit the Municipality has established a medium term project called Intermodal Feeder Port with the aim of resuscitating railway lines in Ladysmith and create economic growth as stipulated in the Provincial Growth Development Strategy. As such, the Emnambithi/ Ladysmith Municipality (ELM) is highly accessible at both regional and national level. This is recognised in the recently introduced Provincial Growth and Development Strategy for KwaZulu-Natal which classifies Ladysmith as a tertiary node with regional significance. This means that the area is earmarked for the location of infrastructure that serves the whole of Uthukela District and beyond, and connects the region with major urban centres such as Durban and Johannesburg. The Emnambithi/ Ladysmith Municipality is also well located in relation to at least two of the major tourism destinations in KwaZulu-Natal. In fact, it serves as a base for the exploration of the Battlefields to the north and Okhahlamba-Drakensburg Park to the south. The latter is a World Heritage Site and a world acclaimed tourist destination.

The municipality has also adopted a series of Local Area Plans that speaks to improving the lives of rural people in terms of proper planned basic services and uplifting the rural economy within the municipality. Areas planned for are:

- Driefontein Local Area Plan

- St Chads and Mcitsheni Local Area Plan
- Matiwane and Jonono Local Area Plan
- Steadville Local Area plan

As per the PDA, The municipality has moved towards creating a wall-to-wall scheme by identifying schemes that have been recently initiated:

- ❖ Rural Scheme
- ❖ Urban scheme

Spatial Structuring elements of the municipality as contained in the SDF include:-

- Nodes (Concentration of activities)
- Corridors (Main roads/Arterials)
- Settlement patterns (Formal/Informal/Traditional)
- Restrictive conditions (Environmental/Topographical/Geo-technical)
- Environment/ Open space Active/passive
- Urban Edge and
- Mix use Development

The municipality is in the process of reviewing in Spatial Development Strategy so that it will reflect the following:

- The desired 2030 vision, goals and objectives
- Strategic interventions required to meet the desired outputs
- A description of catalyst projects

1.2.2 The Environment

The municipality is located in the Uthukela Water Management Area (WMA) with the Klip River and Sunday's River and their tributaries traversing the municipality. These rivers drain into the Tugela River (also known as uThukela), which is the largest river system in KwaZulu-Natal. The Tugela River forms part of the Tugela River Catchment, which is approximately 30 000 km2 in extent. This is one of the important river catchments in South Africa, which drains from the Drakensberg escarpment into the Indian Ocean. There is substantial runoff from the Tugela catchment as a result of high rainfall. This presents the municipality with great opportunity in relation to agriculture.

The issue of contributing towards the green environment is also a priority in the municipality hence recently we have implemented projects that try to mitigate climate change. The municipality has constructed a waste recycling plant which will be fully function by 2015 and at the same time will contribute towards creating jobs in the area especially for rural people. Another project that the municipality will embark on this financial year is planting of trees in and around the town to address the emotion of gas in the atmosphere around Ladysmith.

1.2.3 Population

Census (2011) indicates that the population for Emnambithi/Ladysmith Municipality has risen from a total of 225 459 people in 2001 to 237 437 in (2011) with an average growth of 0.52% which is much less than in 2001 where the growth rate was 4.67%. One of the reasons that has led to decrease in the population is that the youth migrates to other cities like Durban, Pietermaritzburg and Gauteng looking for jobs and tertiary institutions.

The Municipality has also taken note that the upcoming Amalgamation of Indaka and Emnambithi Municipalities will have an impact in population numbers with both municipalities combined roughly having 304 548 people. What is most notable about Indaka municipality is that it has no income revenue and relies solely on grants which will then have an impact on service delivery noting that Emnambithi has made some strides towards this issue. The number of unemployed youth will also rise with Indaka

currently having 66.80 % Emnambithi 43.40% respectively. The issue of service delivery will also be a challenge as well as the economy as Indaka municipality's economic drivers currently is subsistent agriculture.

1.3. Municipal Socio-Economic Space Overview

1.3.1. Provincial Space Economy

Emnambithi/Ladysmith (LM) spans over an area of 3020Km^2 of which 70% is rural land with limited basic services and infrastructure. The municipality is laid on the banks of the

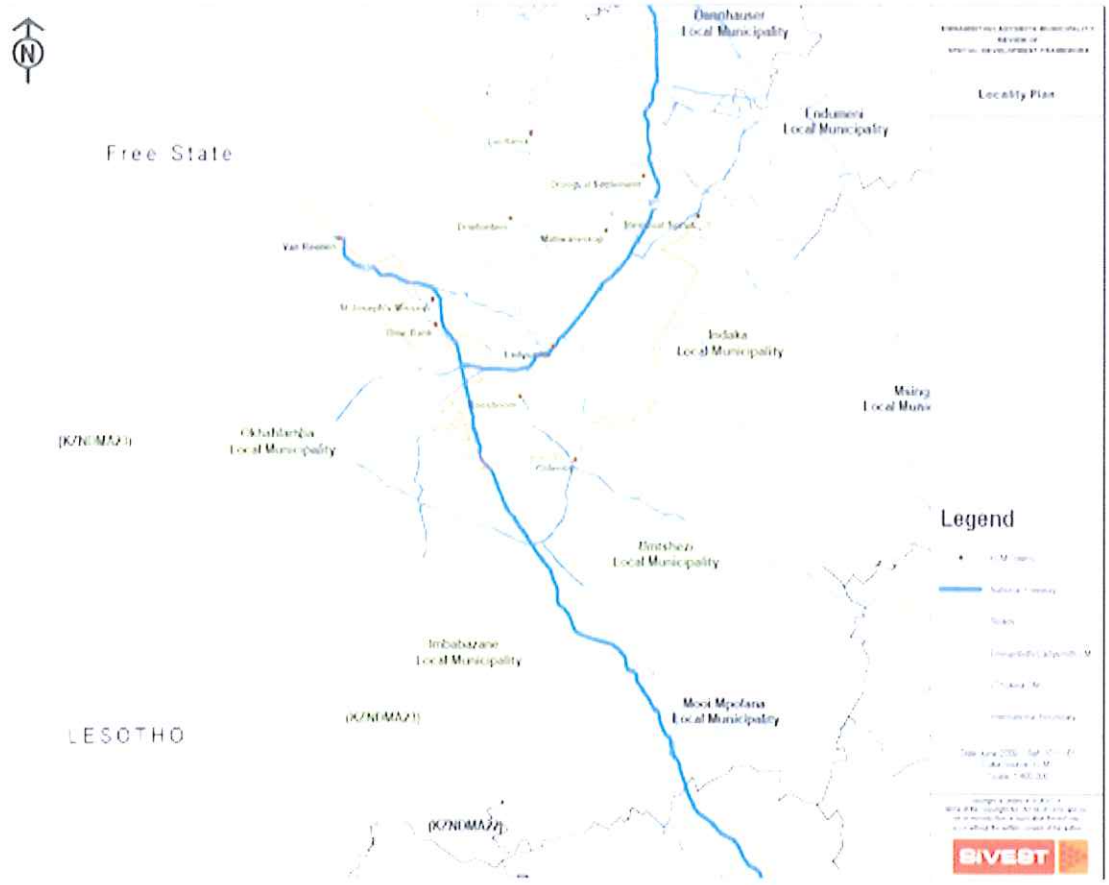
Uthukela River within the region of Northern KwaZulu Natal. It's boarded by the Greater Drakensberg Mountain to the extreme West. In terms of the socio-economic macro context, the municipality is midway between the National Primary Nodes of Johannesburg and Durban. To the west of the municipality lies the Free State Province and to the north the Mpumalanga province. Bisecting the municipality is the presidential prioritised railway corridor which links the areas of Durban and Johannesburg.

Figure 1: ELM PROVINCIAL OVERVIEW

1.3.2. District Space Economy

The Emnambithi/Ladysmith Local Municipality forms part of the Uthukela District Municipality which comprises of 4 other Local Municipalities, namely; Okhahlamba Local Municipality, Indaka LM, Umtshezi Local Municipality and Imbabazane Local Municipality. The Municipality currently functions as the main economic hub of the District Municipality with most of the regional offices and industries located in it. In terms of the District Management Area (DMA) of Uthukela, the Municipality covers approximately 11500km^2. It is located on the western boundary of KwaZulu Natal.

Figure 2: ELM DISTRICT OVERVIEW



The map above seeks to illustrate the spatial configuration of the District Municipality. It indicates the 5 local municipalities that make up Uthukela District. It also shows the movement infrastructure of the municipality. Dissecting the DMA space economy is the N11 provincial route which adjoins to the N3 National Route on the Northern parts of the municipality. This clearly illustrates the infrastructural strengths of the municipality.

1.3.3. Local Space Economy

Emnambithi/Ladysmith Municipality (ELM) is one of the five category B Local Municipalities in the Uthukela District Municipality. Emnambithi/Ladysmith Municipality (ELM) comprises of 27 wards with 13 of those being rural wards and some of them administered by the Traditional Authorities name Inkosi Khumalo in Driefontein Block and Inkosi Shabalala in Matiwane. The map represents a range of settlements from urban to municipal service centers, agricultural landscapes, industrial and semi-rural residential settlements. The 27 wards within the Municipal jurisdiction are represented by 53 Councillors, 9 of which sit on the Executive Committee.

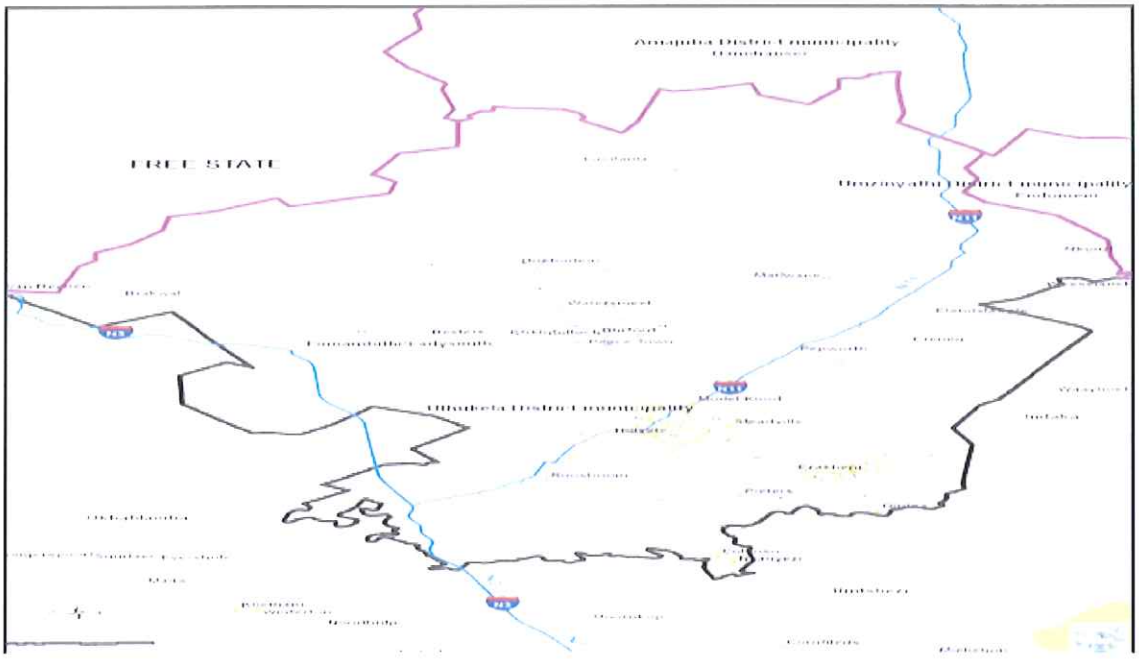
Emnambithi/Ladysmith Municipality (ELM) comprises of the following areas

- Ladysmith Area;
- Colenso;
- Ezakheni;
- Steadville;
- St Chads;
- Driefontein Complex;
- Matiwaneskop;
- Roosboom

Ladysmith is the main/primary urban area/town in Emnambithi/Ladysmith Municipality (ELM). The Township was proclaimed in June 1850 and officially named Ladysmith later that year. It is accessed via the N11 that connects the town with the N3 and traverse the town while making its way to the north. The R103 from Colenso and Roosboom in the south intersects the N11 in the southeast. Residential suburbs include Egerton, Observation Hill, Reservoir Hill, Hospital Park, Rose Park, Residential settlements include Steadville and Leonards Ville, with a border of commercial activity on its westernmost edge closest to the river and the CBD.

Industrial areas include the Danskraal Industrial area to the north-east and further southeast is the industrial area of Nambiti. The south-westerly periphery of the CBD over the Klip River is characterised by public open space and recreational areas, including Settlers Park, the Indoor Sports Complex and the Aerodrome. The remaining settlements are rural in nature with the exception of Colenso and Ezakheni, and other minor township such as Steadville.

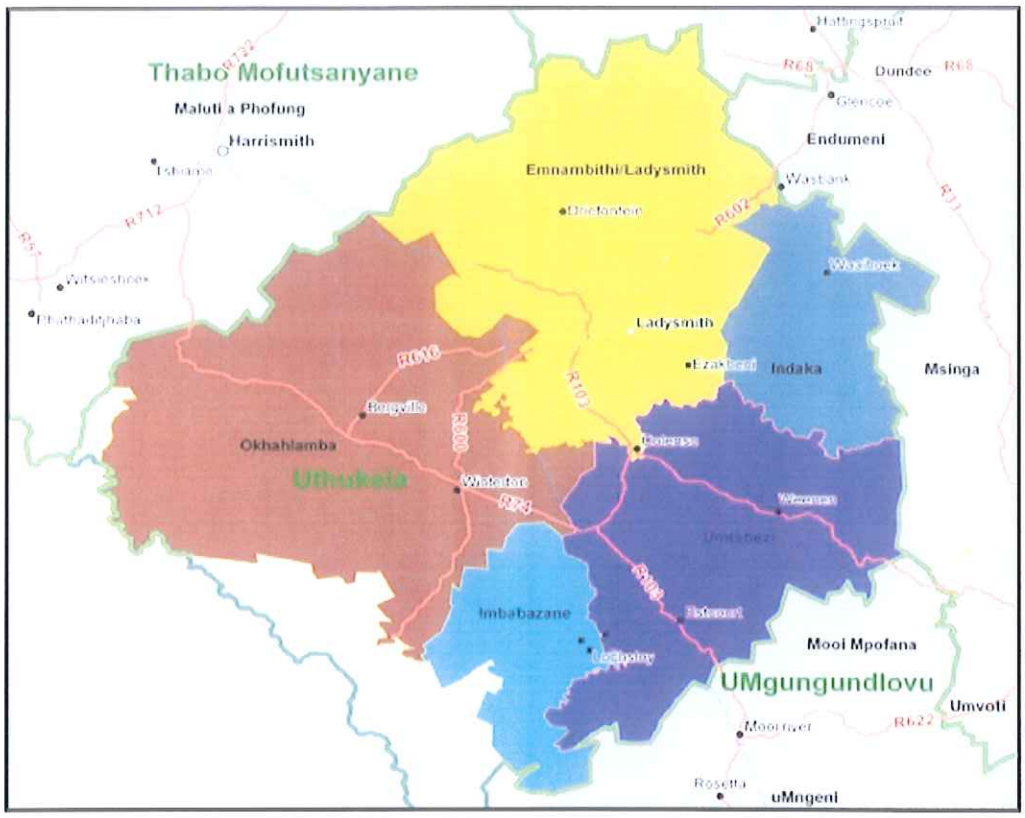
Figure 3: ELM LOCAL OVERVIEW



1.3.4. Locational Attributes of Emnambithi/Ladysmith Municipality ELM

Emnambithi/Ladysmith Municipality (ELM) forms part of the Uthukela District Municipality, which is one of the ten district municipalities in KwaZulu-Natal. The Uthukela District is located along the western boundary of the KwaZulu-Natal Province (KZN), and adjoins the Kingdom of Lesotho and the Free State Province. Emnambithi/Ladysmith Municipality (ELM) forms the northern segment of UThukela District and is bordered by the Free State province to the west, Dannhauser municipality to the north, Endumeni and Indaka municipalities to the northeast and east, Umtshezi Municipality to the southeast and Okhahlamba Municipality to the southwest. It covers an area of approximately 3020km^2 in extent and has a population of about 290 000 people (2009). Approximately 30% of the municipality is urban whilst 70% is rural, which presents obstacles in terms of service delivery.

Figure 4: ELM CONTEXTUAL OVERVIEW

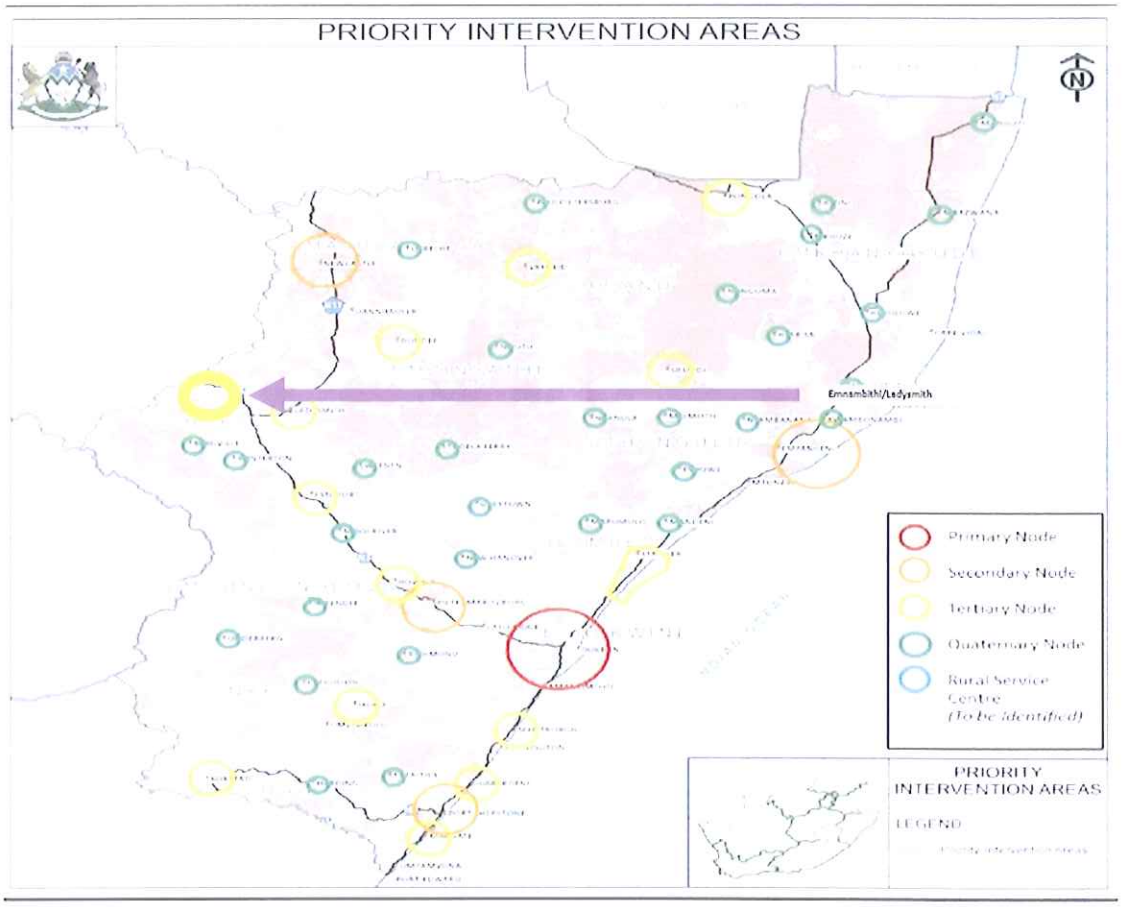


The municipality is anchored around Ladysmith Town which serves as a service centre and administrative centre for the whole of Uthukela District, and a commercial hub for the north-western part of KwaZulu-Natal.

The ELM is strategically located at the intersection of two major national development corridors and trade routes that is: The N11 which runs in a north south direction linking KwaZulu-Natal with Mpumalanga Province; and the N3 which runs in an east west direction linking Durban and Johannesburg Metropolitan areas.

Railway line linking KwaZulu-Natal and provinces such as Gauteng and Mpumalanga also runs through the area creating opportunities for the ELM to benefit from the recently announced rail infrastructure development programme. To realise this benefit the Municipality has established a medium term project called Intermodal Feeder Port with the aim of resuscitating railway lines in Ladysmith and create economic growth as stipulated in the Provincial Growth Development Strategy.
As such, the ELM is highly accessible at both regional and national level. This is recognised in the recently introduced Provincial Growth and Development Strategy for KwaZulu-Natal which classifies Ladysmith as a tertiary node with regional significance. This means that the area is earmarked for the location of infrastructure that serves the whole of Uthukela District and beyond, and connects the region with major urban centres such as Durban and Johannesburg.

Figure 5: ELM PGDS LOCATION



Ladysmith provides higher order goods to the whole district and houses most of the major industrial activities. Manufacturing activity is primarily concentrated in the Ladysmith Ezakheni cluster, and is dominated by the textile and clothing sub-sector. The Emnambithi Local Municipality contains approximately half of the district's economic activity, particularly concentrated in the Ladysmith CBD, Ezakheni/Pieters and Danskraal Industrial area. The Emnambithi town also contains the majority of the government service sectors that plays a meaningful role to the economy of the uThukela/ Emnambithi sub-region through various logistics.

The Emnambithi/Ladysmith Municipality (ELM) is also well located in relation to at least two of the major tourism destinations in KwaZulu-Natal. In fact, it serves as a base for the exploration of the Battlefields to the north and Okhahlamba Drakensburg Park to the south. The latter is a World Heritage Site and a world acclaimed tourist destination. This park is 243 000ha in extent and it is located along Uthukela District administrative boundary. There are a number of natural and cultural attractions that exists within Okhahlamba Drakensberg destination. The natural attractions include the Drakensberg Mountain, Archaeological sites, nature reserves (game viewing and bird watching), Uthukela Biosphere Reserve, Tugela Catchments and Tugela River, Natural Bush, Forests and the climate is mostly comfortable. The cultural attractions include the certain parts of the Battlefields and Memorial, Museums, Monuments, Rock Art, Crafts, Recreation (Horse Riding) and tourism routes.

The Emnambithi/Ladysmith Municipality (ELM) is located in a region with a rich heritage and military history ranging from the uMfecane period (early 1800s) to the turn of the century when the Boers tried to stem the tide of British imperialism. It includes Shaka's predatory campaigns, the arrival of the Voortrekkers, the Anglo Zulu War and the Anglo-Boer Wars. The Battlefields Route provides a structured journey around the sites of various battles, skirmishes and sieges which are situated in a broad belt running through the central core of the region, from Estcourt in the south, through Ladysmith, Dundee and Newcastle, to Charlestown in the north.

This presents the area with a unique 'tourism triangle' character, consisting of three of the five B's branding of provincial tourism – Berg, Bush and Battlefields. In addition to its three main destinations, there is a diversity of related attractions and accommodation facilities. This rich diversity allows tourists to experience a wide range of activities and scenes within a relatively small area, and is used as an important marketing element in the regional tourism industry.

The municipality is also located in the uThukela Water Management Area (WMA) with the Klip River and Sunday's River and their tributaries traversing the municipality. These Rivers drain into the Tugela River (also known as uThukela), which is the largest river system in KwaZulu-Natal. The Tugela River forms part of the Tugela River Catchment, which is approximately 30 000 km^2 in extent. This is one of the important river catchments in South Africa, which drains from the Drakensberg escarpment into the Indian Ocean. There is substantial runoff from the Tugela catchment as a result of high rainfall.

STRENGTHS	WEAKNESSES
Good Infrastructure and Road Networks (road & rail & airport, the N11, N3 & Aerodrome) Proactive municipal structure and administration Diverse and broad economy Abundance of undeveloped land Strong political alignment which creates a conducive environment for functionality and service delivery. Good customer relations with all sectors of our society Skilled and experienced staff compliments that are able to provide administrative and technical leadership to enable effective decision making to politicians.	Weak & poor co-operation & communication between local municipality and district municipality and between municipal internal sector departments Poor investment strategy and business retention. Inefficient communication between business society and the municipality. Poor revenue collection High number of poor and indigent communities Poor staff retention strategy Lack of upwards mobility plans and strategies. In consistent job evaluation Poor communication and understanding of roles and responsibilities between councillors and officials. Poor grant funding
OPPORTUNITIES	**THREATS**
Strategically located between Johannesburg & Durban economic hubs Branded city "The home of Ladysmith Black Mambazo" Number of tertiary educational facilities The proposed Regional Mall along Helpmekaar Road; Extension 15 Development The location of the Big 5 Game Reserves and tourism facilities & sites.	Aging infrastructural services High rates and property taxes. Poor disaster management plans and strategies Migration of skilled and competent labour High levels of political interference in administrative processes and procedures Poor intergovernmental relations High crime rates and high levels of poverty. Unequal service delivery that is more urban bias at the negligent of rural communities. HIV/AIDS represents a serious economic threat.

1.6 Vision

Taking into account the human and financial capabilities of the municipality the council envisions that:

"By 2032, Emnambithi/Ladysmith Local Municipality will be KZN most prosperous city, where all residents will enjoy a high quality of life"

- Economic and Social
- Service Delivery Commitment
- Environmental Sustainability
- Social Cohesion and Diversity

The vision commits the municipality to championing economic development within the key sectors that characterises Emnambithi/ Ladysmith. It also entrust the municipality with the responsibility of delivering services and creation of a safe and healthy environment. This vision is also embedded with economic, social, service delivery and social cohesion elements.

3.2 Elements of the Vision

The Emnambithi/Ladysmith Municipality (ELM) vision encompasses the following five dimensions of development in which we strives for:

1. **Economic**: a broad, diverse and inclusive economy that grows at least at a 3% growth rate per annum in order to create conducive conditions for employment opportunities.
2. **Social**: social harmony and inclusiveness, poverty alleviation and equity
3. **Service Delivery**: an excellent service delivery for all residents
4. **Social Cohesion**: unity and strength and good social relations
5. **Environmental Sustainability and Diversity**: development that meets the needs of today without compromising the ability of the future generations to meet their own needs. We strive for tolerance of diversity and we strive to be a resilient town that can adept and survive all conditions imposed upon it.

3.3 Mission

Emnambithi/Ladysmith Municipality wants to create a more inclusive society by working towards greater economic freedom for all the people in Ladysmith and this will require the municipality to increase opportunities by creating an economically enabling environment in which investment can grow and jobs can be created.

In addition to that, it is a legal requirement of the Municipal Systems Act that Municipalities should set and implement strategic priorities, predetermined objectives, indicators and targets aligned to the local government strategic agenda. Moreover to this, the framework should be in line with the Performance Management System of the municipality so as to enable the assessment of developmental progress and shortfalls of each area and enhance where applicable and necessary. Therefore, Emnambithi/Ladysmith has set the following strategic objectives and goals for the next 5 years:

MUNICIPAL STRATEGIC GOALS

GOAL NUMBER ONE: CREATING A CONDUCIVE ENVIRONMENT FOR ECONOMIC GROWTH AND JOB CREATION

- To ensure enhancement of appropriate and sustainable LED
- To contribute towards the development of Tourism Sector
- To contribute towards the development of the Agricultural Sector
- To promote the participation of Woman, Youth and the Disabled in LED projects and activities
- To promote SMME Development
- City Regeneration

GOAL NUMBER TWO: FINANCE

- Improve financial viability of municipality
- To enhance effective and efficient SCM process and procedures
- Improve budget implementation in the municipality

GOAL NUMBER THREE: SPATIAL DEVELOPMENT (CROSS CUTTING)

- To improve response to disasters
- To promote the sustainability and protection of the municipality
- Improve strategic and spatial planning in the municipality

GOAL NUMBER FOUR: GOVERNANCE

- To improve municipal inter-departmental and external (including IGR) communication
- Alleviate fraud and corruption in the organisation
- Improve effectiveness of public participation in the municipality
- Improve municipal efficiencies and operations
- Increase social development in municipal area

GOAL NUMBER FIVE: BASIC INFRASTRUCTURE

- To improve access to infrastructure
- To plan and support the acceleration of sustainable human settlements at appropriate locations
- Improve access to electricity
- Improve the provision and maintenance of municipal roads and sidewalks Enhance access to and provision of social and community services

GOAL NUMBER SIX: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

- To ensure that the Municipality has well skilled, competent, reliable and motivated employees and Councillors
- To improve institutional and organisational capacity
- Improve municipal performance through PMS implementation

1.2.3 SERVICE DELIVERY OVERVIEW

(a) Introduction

Basic Services were delivered to a total of 46 674 households as at 30 June 2015, which were delivered as follows:

- Electricity: 16 504 households + 3000 Eskom area households = 19 504 households
- Refuse removal: 46 674 households

Out of these 46 674 households, free basic services were delivered to a total of 10 741 indigent household in the following manner:

- Electricity - 50 kWh free
- Refuse removal - per month levy for one removal per week

1.2.4 FINANCIAL HEALTH OVERVIEW

(a) Introduction

The municipality is presently still in a healthy financial situation but good financial management practices and the effect of cost pressures on financial resources requires a continuous evaluation of the financial positon of the municipality. These cost pressures include the maintenance of the ageing infrastructure, as well as items beyond the control of the municipality, such as the effect of the Eskom increases (8.06%) and the increase of the collective agreements on employee related costs (6.79%), contribution to post employee health benefits which was budgeted for R3 500 000 and eventually amounted to R2 095 848 due to the increased life expectancy of fund beneficiaries according to actuarial calculation.
Total revenue for the year amounts to R684.5m while operating expenditure amounts to R561.5m, with the budgeted surplus being R69.8m.

The Municipal Finance Management Act 2003, together with the implementation of Generally Recognised Accounting Practices (GRAP) in local government, shifted the focus from the traditional "short-term balanced Income and Expenditure budgets" to sustainability over at least the medium term with emphasis on cash-funding. The municipality closed the financial year with more cash than the previous financial year and must still put controls in place to ensure that cash recourses do not deplete. The demand for infrastructure investment, and especially the replacement of ageing infrastructure, requires a significant amount of cash, and the municipality identified the preservation of its cash resources while also attending to the investment requirements, as a critical strategic area to be addressed in each future budget.

(b) Ratio

Viability Information	Current Year	Previous Year
Cost Coverage	1:2.66	1:1.99
Long-term debt as % of Revenue	35%	33%
Debt servicing cost to Revenue	1:0,50	
Short-term debt as % of Cash	3,21%	2,05%

(c) Financial Overview - 2014/2015

Description	Original Budget	Adjustment Budget	Actual
Grants	R 189 116 000	R 232 839 000	R 237 918 886
Taxes, Levies and tariffs	R 404 193 288	R 398 615 715	R 395 757 157
Other	R 78 762 812	R 62 143 939	R 54 494 193
Income	R 672 072 100	R 688 598 654	R 688 170 236
Less Expenditure	R 633 876 015	R 621 942 172	R 564 396 595
Net Total	R 38 196 085	R 66 656 482	R 123 773 641

(d) Operating Ratios

Expenditure Type	Ratio
Employees	29%
Repairs and Maintenance	6%

(e) Comments on operating ratios

Total expenditure is 9, 25% under budget, mainly as a result of expenditure that was incurred lower than anticipated due to:

- Cost cutting measures
- Delays in filling of posts due to change management processes in relation to amalgamation with Indaka Municipality.
- Actual depreciation less than budgeted due to change in useful lives of assets.

Employee costs (including Councillors Remuneration) represent 32% of total operating expenditure, which is in line/not in line with expected norms set by the National Treasury.

Repairs and Maintenance costs represents 6% of total operating expenditure and does our capital budget also include repairs and maintenance.

(f) Total Capital Expenditure

Original Budget	Adjustment Budget	Actual Expenditure
R 111 799 030	R 157 923 030	R141 767 863

(g) Comment on capital expenditure

Expenditure on the capital budget was underspent by 11%.

1.2.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

Emnambithi/Ladysmith Municipality aims to ensure service delivery of the best possible quality for all the inhabitants of the Municipality. To achieve this, a prime goal of the Municipality's Human Resource Strategy is: To create a flexible organisation that enables optimal performance by developing and retaining a properly skilled and representative workforce. Emnambithi/Ladysmith Municipality considers its human resources as one of its most critical assets.

CHAPTER 2 – GOVERNANCE

2.1 INTRODUCTION

Governance is seen by Emnambithi/Ladysmith Municipality as the exercise of economic, political and administrative authority to manage the municipality's affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences. To ensure good governance, which is – among other things – participatory, transparent and accountable – the Municipality views the four components dealt with in this Chapter as interrelated and mutually reinforcing.

2.2 POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.2.1 INTRODUCTION

Section 151(3) of the Constitution states that the council of a municipality has the right to govern, on its own initiative, the local government affairs of the local community.

Political governance is the process of decision-making to formulate policy, whereas administrative governance is the system of policy implementation.

Emnambithi/Ladysmith Municipality strives towards achieving the following characteristics of efficient government in both the above legs of governance:

- Participation;
- Rule of law;
- Transparency;
- Responsiveness;
- Consensus orientation;
- Equity;
- Effectiveness and efficiency;
- Accountability; and
- Strategic vision.

2.2.2 POLITICAL GOVERNANCE

(a) Introduction

MFMA section 52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality.

In terms of section 9(d) of the Municipal Structures Act 1998, Emnambithi/Ladysmith Municipality should have an executive system combined with council system.

The independent Audit Committee and Performance Audit Committee report directly to Council, providing opinions and recommendations on financial processes and performance.

The Municipal Public Accounts Committee (MPAC) is in place to reinforce the oversight arrangements in the Municipality and to ensure the efficient and effective use of municipal resources. Its key role is to consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on the annual report, as required in terms of section 121 of the Local Government: Municipal Finance Management Act and Circular no 32 issued by the Minister of Finance.

(b) Mayor: Cllr MV Madlala

The Mayor is the chairperson of the Executive Committee (EXCO). In terms of Municipal Structures Act, Municipal Systems Act, MFMA and Municipal Planning and Performance Regulations, the Mayor performs duties, including any ceremonial functions, and exercises the powers delegated to the mayor by the municipal council or Executive Committee.

(c) Deputy Mayor: Cllr SR Mfusi

The Deputy Mayor exercises the powers and performs the duties of the Mayor, if the Mayor is absent or not available, or if the office of the Mayor is absent.

(d) Speaker: Cllr ZB Rassool

- Presides at the meeting of the Council.
- Ensures that the Council meets at least once a month.
- Strictly ensures that the Council meetings are conducted in accordance with the rules and orders of the Council.
- The provision of administrative and secretarial support services to all councillors. This support strengthened the effectiveness of councillors in their role as public representatives.

(e) Chief Whip: Cllr TW Ngubane

The Chief Whip performs duties that are delegated to him by Council; include the following but not limited:

- Developed and approved a Code of Conduct for councillors. The Council Speaker and the Council Chief Whip have co-responsibility to ensure adherence to the Code of Conduct.

(f) Political decision-taking

Section 53 of the Municipal Systems Act (Act 32 of 2000) stipulates inter alia that the respective roles and areas of responsibility of each political structure and political office bearer of the Municipality and of the municipal manager must be defined. The section below is based on the Section 53 role clarification that was approved at the council meeting of May 2011.

The political decision making at Emnambithi/Ladysmith Municipality is supported by the Management Committee. All recommendations from the Management Committee are put forward to the relevant Portfolio Committees, who then make recommendations to the Executive Committee (EXCO). Once the EXCO has accepted the recommendations, and then are made to the Council. Council is then in a position to take the final decision on the matter. In the few cases where there is no consensus on a matter within Council, the issue will go to vote. Once the Minutes of the Council meeting have been adopted, the responsibility lies with the Accounting Officer to ensure that actions are taken to implement such resolutions.

- Municipal Council

  - governs by making and administrating laws, raising taxes and taking decisions that affect people's rights;
  - is a tax authority that may raise property taxes and service levies;
  - is the primary decision maker and takes all the decisions of the Municipality except those that are delegated to political structures, political office bearers, individual councillors or officials;
  - can delegate responsibilities and duties for the purposes of fast and effective decision making;
  - must strive towards the constitutional objects of local government;
  - must consult the community with respect to local government matters; and
  - is the only decision maker on non-delegated matters such as the approval of the IDP and budget.

The Municipal Council of Emnambithi/Ladysmith Municipality consists of 53 members. Twenty seven (27) represents wards and the rest are proportional representatives elected to represent political parties on the basis of proportional representation. The ruling party in Council is the African National Congress (ANC). The first Council Meeting elected the Mayor, Deputy Mayor, Council Speaker and Chief Whip.

Table: Representation of Political Parties in Council

Political Party	Number
African National Congress	34
Democratic Alliance	4
National Freedom Party	6
Inkatha Freedom Party	8
Minority Front	1
Total	53

(g) Executive Committee (EXCO)

The Council established an Executive Committee comprising of nine (09) members. All EXCO meetings are convened in terms of the Municipal Structures Act. The Mayor decides when and where Special Executive Committee meets. It is composed of the following way:

Table: Representation of Political Parties in EXCO

Political Party	Number
African National Congress	6
Democratic Alliance	1
National Freedom Party	1
Inkatha Freedom Party	1

(h) Portfolio Committees

These committees are established in terms of section 80 in order to deliberate and make recommendations to Executive Committee.

The council has six (6) portfolio committees and every political parties is represented in all committees. Members of the Executive Committee are tasked with the responsibility of chairing the supporting committees. The committees are:

- **Finance Portfolio Committee**

This committee was established to deliberate on all finance related matters within the Emnambithi/Ladysmith Municipality and sits on a monthly basis to discuss finance issues and refer them to EXCO and Council.

Table: Member of the Finance Portfolio Committee

Member	Political Party
Cllr M V Madlala (Chairperson)	African National Congress
Cllr T M Cele	DA
Cllr N M Hlomuka	African National Congress
Cllr M R Magubane	African National Congress
Cllr B D Mkhize	African National Congress
Cllr T H Thabethe	African National Congress
Cllr P S Mkhwanazi	National Freedom Party
Cllr M E Mshengu	Inkatha Freedom Party
Cllr R J Maharaj	Minority Front

- **Support Services Portfolio Committee**

This committee was established to deliberate on all organisational development related matters, which include human resources, general administration and training & development activities within Emnambithi/Ladysmith Municipality and sits on monthly basis to discuss the above-mentioned issues and refer them to EXCO and Council.

Table: Member of the Support Service Portfolio Committee

Member	Political Party
Cllr S J Sithebe (Chairperson)	African National Congress
Cllr M S Mchunu	African National Congress
Cllr N M Mlotshwa	African National Congress
Cllr S S C Ngwenya	African National Congress
Cllr S G Nkomonde	African National Congress

Cllr N E Vilakazi	African National Congress
Cllr M L Zwane	African National Congress
Cllr B R Madonsela	Inkatha Freedom Party

- **Social Service Portfolio Committee**

This committee was established to deliberate on all social and institutional development related matters, which include Performance and Risk Management, Youth Development, Communications, Public Participation, Internal Audit and Operation Sukuma Sakhe (Gender, Children & Women) within Emnambithi/Ladysmith Municipality and sits on monthly basis to discuss the above-mentioned issues and refer them to EXCO and Council.

Table: Members of the Social Service Portfolio Committee

Member	Political Party
Cllr S R Mfusi (Chairperson)	African National Congress
Cllr N R Mhlongo	African National Congress
Cllr B D Mkhize	African National Congress
Cllr S O Mkhwanazi	African National Congress
Cllr T Xaba	African National Congress
Cllr P P Jele	Inkatha Freedom Party
Cllr R J Maharaj	Minority Front
Cllr K L Msibi	Democratic Alliance

- **Development, Planning & Human Settlements Portfolio Committee**

This committee was established to deliberate on all Development, Planning and Human Settlements development related matters, which include Local Economic Development & Tourism, Town Planning, Housing and Real Estate activities within Emnambithi/Ladysmith Municipality and sits on monthly basis to discuss the above-mentioned issues and refer them to EXCO and Council.

Table: Members of the Development, Planning & Human Settlements Portfolio Committee

Member	Political Party
Cllr T P Makhaza (Chairperson)	African National Congress
Cllr P S Hlatshwayo	African National Congress
Cllr T W Ngubane	African National Congress
Cllr M L Mlotshwa	African National Congress
Cllr S D Sokhela	African National Congress
Cllr S S C Ngwenya	African National Congress
Cllr P J Hurter	Democratic Alliance
Cllr N T Buthelezi	Inkatha Freedom Party
Cllr Z J Ngcobo	National Freedom Party
Cllr R J Maharaj	Minority Front

- **Community Safety Portfolio Committee**

This committee was established to deliberate on all Public Safety, Community Facilities and Traffic Management related matters, which include Licensing and Traffic Administration, Disaster Management, Municipal Fleet Management, Solid Waste Management, Parks & Garden and Security Services within Emnambithi/Ladysmith Municipality and is sitting on monthly basis to discuss the above-mentioned issues and refer them to EXCO and Council.

Table: Members of the Community Safety Portfolio Committee

Member	Political Party
Cllr T Hadebe (Chairperson)	African National Congress
Cllr A S Fakude	African National Congress
Cllr N M Hlomuka	African National Congress
Cllr A M Mthethwa	African National Congress
Cllr L S Madinane	African National Congress
Cllr T Xaba	African National Congress
Cllr L K Kunene	Inkatha Freedom Party

- **Technical and Planning Portfolio Committee**

This committee was established to deliberate on all infrastructural development services, which include project management, maintenance and electricity services within Emnambithi/Ladysmith Municipality and sits on monthly basis to discuss the above-mentioned issues and refer them to EXCO and Council.

Table: Members of the Technical and Planning Portfolio Committee

Member	Political Party
Cllr T Msomi (Chairperson)	African National Congress
Cllr M R Magubane	African National Congress
Cllr P S Hlatshwayo	African National Congress
Cllr S D Sokhela	African National Congress
Cllr S S Radebe	African National Congress
Cllr T Cele	Democratic Alliance
Cllr M J Buthelezi	National Freedom Party

2.2.3 ADMINISTRATIVE GOVERNANCE

(a) Introduction

By law, the Municipal Manager automatically is the head of administration as well as the accounting officer. The Municipal Manager has extensive statutory and delegated powers and duties, as well as powers and duties that can be inferred from such statutory and delegated powers and duties.

The Municipal Manager is, amongst others, responsible –

- for the formation and development of an economical, effective, efficient and accountable administration;
- to ensure that the municipal "machine" operates efficiently, that the organizational structure is able to perform the various tasks and exercise the necessary controls;
- to fulfil a leadership role in the administration; this is of utmost importance to influence the actions of staff and to inspire and persuade them to work together to realize the municipality's goals;
- for the implementation of the municipality's integrated development plan, and the monitoring of progress with implementation of the plan; and
- for the financial responsibilities as accounting officer as determined by the MFMA.

The Municipal Manager is the chief adviser of the municipality and must advise the political structures and political office-bearers of the municipality. The Municipal Manager must see to the carrying out of the decisions of the political structures and political office-bearers of the municipality.

The Municipal Manager must facilitate participation by the local community in the affairs of the municipality and must also develop and maintain a system whereby community satisfaction with municipal services is assessed.

Department	Head of Department	Designation	National key Performance Areas
Office of the Municipal Manager/ Mayoral Office	MP Khathide	Municipal Manager	• Assessment of the municipality's performance management system • Assessment of whether the municipality performance system complies with the Act • An assessment of the alignment of objective, output and measures • Review of Risk Management Strategy and Framework • Ensuring effective and functional Internal Audit Systems • Youth Development and Empowerment • Community public consultation and ward committees • Communications and municipal branding • Effective and functional war rooms through Operation Sukuma Sakhe programmes • Women, children and people with disabilities empowerment.

Department of Corporate Services	Ms S.S. Ngiba	Executive Manager: Corporate Services	• Leave Administration • Staff Records and Appointments • Administration of IOD's and Pension Claims • Training Programmes Undertaken and submissions to LGSETA • Information Technology – Governance, Security Management, User Access • Control, Program Change Management, Services Continuity, and Facilities Management • Provision Council Support Services • 2.6 Valuation roll and Rates Assessment • Implementation of Employment Equity Plan • Compliance with National Archives and Records Management Act • Legal Support Services
Department Community Services	Mr PBB Simelane	Executive Manager: Community Services	• Collection of Fines Paid • Reconciliation between Samras and Traffman • Fleet Management and Fuel Consumption • Licensing collections • Job Costing and Sundry Services • Hire of Community Facilities • Projects and Grant Funding received • Solid Waste Removal • Provision of parks, gardens, cemeteries and creational facilities • Sport management services • Disaster and emergency services
Department Development Planning and Human Settlements	Mr PS Mkhize	Executive Manager: Development Planning and Human Settlements	• Administration of Land Sales • Administration of Housing Projects • IDP Process • Administration of LED Projects • Town Planning • GIS
Department Finance	Mr M Hloba	Executive Manager: Finance (CFO)	• Creditors Run and reconciliation • Long Term Loans Reconciliation • Grants Reconciliation • Fixed Assets Register and Asset Count

			• Investment and Interest Charged • Inventory / Stock Control • Cash Taking • Banking and Bank Reconciliation • Employee Study Bursaries • Debtor Processes and Month End Trail Run for Services Rendered • Suspense Accounts • Commitments • Fruitless and Wasteful Expenditure • Journals Processed • Implementation of Indigent Policy • Salary Run, and ACB • Financial System Transaction Listing • Supply Chain Management Process • Contract Register and Contract Payments • Review of Mid-Year and Annual Financial Statements • Review of Mid-term and Annual Budget
Department Infrastructure and Services	Mr SO Hlatshwayo	Acting Executive Manager: Infrastructure and Services	• Job costing and Sundry Services • Plan Approvals, Building Inspection and Occupation Certificates • Electricity loss calculations • Electricity Meter Books, Final Error Report, Meter Changes and Bulk Consumer Accounts • Projects and Grants Funding Received • Floods Management • Maintenance • Project Management

2.3 INTERGOVERNMENTAL RELATIONS

MSA section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisage in the Constitution section 41.

Before 1994 South Africa had fragmented administrations: this meant that citizens were divided geographically with different population groups living in different suburbs and areas and only a small minority of residents benefited from development. Today South Africa has a unitary, yet decentralised, state with nine provincial governments and more than 283 municipalities.

The Constitution and the new democratic government recognise that the three spheres of government cannot function in isolation. Decentralisation and co-operation is critical to the successful transformation of the state in the coming decades.

The role of local government in IR has moved extensively from the symbolism of the past to meaningful interaction of common benefit with far reaching implications for the image of South Africa, and the development agenda at a local government level.

In this regard it has been determined that the growing demands and complexity of South African municipal service-delivery imperatives have impacted significantly on the range and depth of skills and competencies required from within the municipal economy. This has necessitated serious consideration of municipal international relations as an increasingly viable conduit for scarce skills and resources.

2.3.1 NATIONAL INTERGOVERNMENTAL STRUCTURES

The Municipality attends the following meetings on National level:

- SALGA meetings

2.3.2 PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The Municipality attends the following meetings on Provincial level:

- SALGA meetings
- MuniMecTech
- MuniMec
- Premiers Coordinating Forum
- Municipal Managers Forum

2.3.3 DISTRICT INTERGOVERNMENTAL STRUCTURES

The Municipality attends the following meetings on District level:

- DCFTech
- DCF

Emnambithi/Ladysmith Municipality, during the period under review, involved in the District Technical Advisory Committee (DTAC) co-ordinated by KwaZulu-Natal Department of Co-operative Governance and Traditional Affairs. The purpose of this committee is to deliberate on performance, monitoring, reporting and evaluation issues.

The committee meet once a quarter in a rotation hosting system. Emnambithi/Ladysmith Municipality was represented in three DTAC meetings that took place in the financial year 2014/2015.

The meetings were scheduled as follows:

Date	Host Municipality	Emnambithi/Ladysmith Municipality's Official/s Present
11 July 2014	Umtshezi Municipality	Mr PI Nkosi
17 October 2014	Okhahlamba Municipality	Not attended
27 February 2015	Emnambithi Municipality	Mrs ND Mwamba
8 May 2015	Indaka Municipality	Mr Mike Khulu

2.3.4. INTERDEPARTMENTAL RELATIONS

The municipality established the Interdepartmental Committee where all cross cutting issues affecting municipal departments are discussed. This committee is made up of municipal senior officials from all municipal departments.

The Interdepartmental Committee Meetings were scheduled as follows:

No.	Date of the Meeting
1	09/07/2014
2	23/07/2014
3	06/08/2014
4	20/08/2014
5	03/09/2014
6	17/09/2014
7	29/10/2014
8	12/11/2014
9	03/12/2004
10	28/01/2015
11	11/02/2015
12	11/03/2015
13	25/03/2015
14	08/04/2015
15	22/04/2015
16	06/05/2015
17	20/05/2015
18	03/06/2015
19	17/06/2015

2.4 PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4.1 PUBLIC MEETINGS

(a) Communication, participation and forums

Public participation in Emnambithi/Ladysmith Municipality is done in a structured way. The directive from national government on how community participation should be

structured is the ward committee system. Most of the liaison with communities is done through ward committee meetings.

Although ward committees provide for representation of communities on a geographical basis, there are also a number of sector interests not covered by ward committees that play a major role within the municipal area, such as education, business and agriculture. Liaison with and involvement of such sector groups is therefore also crucial in order to get a full picture of the current reality in our area. Liaison with sector groups is done mainly through the Municipal Stakeholders Forum.

The following community meetings were conducted by ward councillors:

Ward	No. of Targeted Meetings per Annum	No. of Public Meetings Held per Annum	Reasons for Not Achieving a Target	Corrective Measures
1	04	4		
2	04	5		
3	04	3	Ward Councillor been on sick leave	Wellness of ward Councillor important
4	04	3	Taxi violence mainly in Qinisa/Sdakeni where meeting was to take place	Wait for situation to normalise as intervention already in place by minister of transport and safety.
5	04	2		
6	04	2		
7	04	7		
8	04	3		
9	04	6		
10	04	4		
11	04	NIL	Ward councillors not complying	Matter reported to office of the speaker
12	04	1	Ward councillors not complying	Matter reported to office of the speaker
13	04	5		
14	04	10		
15	04	5		
16	04	5		
17	04	2		
18	04	7		
19	04	5		
20	04	8		
21	04	5		
22	04	6		
23	04	6		
24	04	14		
25	04	13		
26	04	7		
27	04	6		

(b) Ward Committees

Section 152(1) (e) of the Constitution of the Republic of South Africa, read with sections 72 to 78 of the Structures Act, gives a direct mandate to municipalities to encourage the involvement of communities and community organisations in matters of local government and to establish community participatory systems.

Sections 8 (g and h), 9(f) and 72 of the Structures Act, authorise municipalities to establish ward participatory systems as mechanisms to enhance participatory democracy in local government.

A ward committee is an advisory body of the community. A ward committee serves as the official public participatory structure of the Municipality and must as such –

a) assist the ward councillor in identifying challenges and needs of the community;
b) disseminate information in the ward concerning municipal affairs such as the budget, the integrated development plan (IDP) and service delivery options;
c) obtain inputs from residents regarding municipal affairs such as the budget, the integrated development planning and service delivery options;
d) receive queries and complaints from the public concerning municipal service delivery; and
e) interact with other forums and organisations on matters affecting the ward.

Ward committees were established in all twenty seven municipal wards after the May 2011 elections. Thereafter much time was spent on induction, specifically on the Rules and Procedures for ward committees, the IDP and budget process.

The following table provides the functionality of Ward Committees per ward during the financial under review:

Ward	No. of Planned Meetings per Annum	No. of Meetings Held per Annum	Reason for Not Achieving Target	Corrective Measure
1	6	5	Quorum did not quorate and meeting rescheduled	Meeting unfortunately fell on to current financial year after reschedule
2	6	5	Quorum did not quorate and meeting rescheduled	Meeting unfortunately fell on to current financial year after reschedule
3	6	5	Ward Councillor been on sick leave	Wellness of ward Councillor important
4	6	5	Quorum did not quorate and meeting rescheduled	Meeting unfortunately fell on to current financial year after reschedule
5	6	4	Quorum did not quorate and meeting rescheduled	Meeting unfortunately fell on to current financial year after reschedule
6	6	5	Quorum did not quorate and meeting rescheduled	Meeting unfortunately fell on to current financial year after reschedule
7	6	5	Quorum did not quorate and meeting rescheduled	Meeting unfortunately fell on to current financial year after reschedule

8	6	5	Quorum did not quorate and meeting rescheduled	Meeting unfortunately fell on to current financial year after reschedule
9	6	3	Quorum did not quorate	Bi elections to replace members
10	6	4	Quorum not quorate	Ward committees have to be reminded of their community responsibilities. Letters to be written to each member
11	6	1	Ward councillor not complying	Matter reported to office of the speaker
12	6	1	Quorum did not quorate. Ward councillor not complying	Members to be reminded of their responsibilities to the community and reschedule to be done. Matter reported to office of the speaker
13	6	5	Unavailability of ward Councillor due to urgent council commitment and quorum not quorate	Ward committees have to be reminded of their community responsibilities. Letters to be written to each member
14	6	5	Quorum did not quorate	Members to be reminded of their responsibilities to the community and reschedule to be done
15	6	3	Quorum did not quorate	Bi election of ward committee members
16	6	4	Unavailability of ward Councillor due to urgent council commitment and quorum not quorate	Hope to abide by year plan as ward councillor has attended to matters that prevented him from holding meetings
17	6	4	Quorum did not quorate	Bi- election of ward committee members
18	6	4	Community had an issue with local school and this prevented meeting involving ward councillor and some ward committee members	Matter resolved now as in the last two quarters meetings went ahead as planned.
19	6	5	Quorum did not quorate and meeting rescheduled	Meeting unfortunately fell on to current financial year after reschedule
20	6	6		
21	6	6		
22	6	6		
23	6	6		
24	6	5	Unavailability of ward Councillor due to other commitment	Hope to abide by year plan as ward councillor has attended to matters that prevented her from holding meetings
25	6	5	Quorum did not quorate as members were on festive holidays	Meeting was scheduled over festive season but will be ruled out
26	6	3	Unavailability of ward Councillor due to other commitment	Hope to abide by year plan as ward councillor has attended to matters that prevented him from holding meetings
27	6	5	Unavailability of ward Councillor due to other commitment	Hope to abide by year plan as ward councillor has attended to matters that prevented him from holding meetings

2.4.2 IDP PARTICIPATION AND ALIGNMENT

Section 25 (1) (2) of the Municipal Systems Act, No. 32 of 2000 states that-

(1) Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which—

(a) *links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;*
(b) *aligns the resources and capacity of the municipality with the implementation of the plan;*
(c) *forms the policy framework and general basis on which annual budgets must be based;*
(d) *complies with the provisions of this Chapter; and*
(e) *is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.*

(2) An integrated development plan adopted by a municipal council in terms of subsection (1) may be amended in terms of section 34 and remains in force until an integrated development plan is adopted by the next elected council.

Table: IDP Participation and Alignment Criteria

IDP Participation and Alignment Criteria	Yes/ No	Reasons for non-compliance
Does the municipality have impact, outcome, input, output indicators?	Yes	n/a
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes	n/a
Does the IDP have multi-year targets?	Yes	n/a
Does the budget align directly to the KPIs in the strategic plan?	Yes	n/a
Do the IDP KPIs align to the Section 57Managers	Yes	n/a
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes	n/a
Were the indicators communicated to the public?	Yes	n/a
Were the four quarter aligned reports submitted within stipulated time frames?	Yes	n/a

2.5 CORPORATE GOVERNANCE

2.5.1 OVERVIEW

The King-report listed discipline, transparency, independence, accountability, responsibility, fairness and social responsibility as the seven primary characteristics of good governance. These traits have to be evident in municipal operations from the municipal council at the top to departmental staff at the bottom.

Corporate governance is the system by which municipalities/companies are directed and controlled and is essentially for effective leadership. Leaders need to define strategy, provide direction and establish the ethics and values that will influence and

guide practices and behaviour with regard to sustainability performance. The framework of rules and practices ensures accountability, fairness, and transparency in a municipality's relationship with its stakeholders (financiers, customers, suppliers, management, employees, government, and the community).

2.5.2 INTERNAL AUDIT

An Internal Audit (IA) exists within Emnambithi/Ladysmith Municipality and provides direction and support to the Audit Committee. The Internal Audit Unit has been fully functional for the financial year under review. The Internal Audit function is in house and not out-sourced to an external service provider, and is fully funded from the municipality's operational budget.

The purpose of internal audit is to provide an independent, objective assurance and consulting services designed to add value and improve the municipality's operations. Furthermore, the IA reports on matters relating to:

- Safeguarding of assets
- Improving Internal Control
- Compliance with laws, regulations, policies, accounting practices and contractual obligations
- Reliability and integrity of information
- Risk and risk management
- Performance Management

The Manager, Internal Audit follows a risk based audit approach whereby an annual audit plan is compiled and approved by the Audit Committee. Included in the plan are special tasks or projects requested by Management and the Audit Committee.

Reporting to the Municipal Manager regarding the activities of the unit such as audits and investigations performed, audit findings not yet implemented and any other concerns is done on a monthly basis. Quarterly Audit Committee meetings are held where risk management, performance management, audit reports issued and performance against the audit plan are discussed.

In terms of our Annual Risk Based Internal Audit Plan the **key focus areas** included:

KEY FOCUS AREA	SCOPE
AUDIT OF PERFORMANCE MANAGEMENT SYSTEMS, IDP, AND SDBIP	- Review compliance of the IDP, SDBIP and Performance Agreements in terms of activity, content and timeframes - Review compliance of the KPA's and KPI's in terms of the SMART principles - Review performance contracts (linked to IDP) for all Executive Directors and the Municipal Manager; - Review the link between PMS, IDP, SDBIP and Budgets; - Review credibility of POE files; - Conduct physical verification of projects.
RISK BASED AUDITS AND STATUTORY AUDITS	
Review of Risk Management and Assessment	- Review of Risk and Control Identification and Assessment - Review of Risk Management Strategy - Review of Risk Management Methodology

2013/2014 Financial Statement Review	- Review Accounting Policies and compliance with GRAAP - Ensure that the AFS agrees to the Trial balance and General Ledger - Perform review of financial statements for validity, accuracy and completeness. - Review working paper file and ensure that it agrees to information on the AFS, TB and GL
2014/2015 Mid-term Financial Statement Review	- Review Accounting Policies and compliance with GRAAP - Ensure that the AFS agrees to the Trial balance and General Ledger - Perform review of financial statements for validity, accuracy and completeness - Review working paper file and ensure that it agrees to information on the AFS ,TB and GL
Audit Supply Chain Management	- Review daily procurements - Review tender process - Review contract register and contract payments - Review compliance with SCM policy, SCM Regulations and MFMA Circular 68
Audit Creditors and Expenditure Management	- Review Creditors Age Analysis - Review Cheque Age Analysis - Review the Loan Register - Review Refund Payment processes - Perform review of payment vouchers for validity, accuracy and completeness
Audit Monthly Unauthorised, Irregular, Fruitless and Wasteful Expenditure	- Review the Register's maintained - Review compliance and reporting requirements in terms of SCM policy, SCM Regulations and MFMA Circular 68 - Review processes in place for corrective action or recovery thereof
Audit Debtors and Revenue Management	- Review debit raising processes for main services rendered (rates, electricity, refuse) - Review debit raising processes for sundry services rendered - Review Debtors Age Analysis - Review Indigent Database
Audit Asset Management	- Review monthly asset reconciliations - Ensure asset reconciliation balances to general ledger and trial balance - Review fixed asset register - Test for existence of assets - Review depreciation calculations - Review compliance with GRAAP
Audit Payroll Management	- Review new appointments - Review employee's exiting the system - Review Overtime Payments - Review Standby allowances - Review Housing & Third Party payments - Review Staff deductions
Audit Suspense Accounts and Processing of Journals	- Review all suspense accounts on the financial system and check the validity and accuracy thereof - Review Journal Register - Review the validity and approval of journals

	- Review that adequate supporting documentation are maintained
Audit Cash, Bank and Bank Reconciliations	- Review all cash and receipting processes - Review the bank reconciliations - Ensure that all reconciling items are valid and have adequate supporting documentation - Ensure that the bank reconciliation agrees to the bank statements, bank confirmations, and to the financial system
Audit of the adjustments budget 2014/2015	- Ensure that all compliance requirements are met - Review budget for validity, accuracy and completeness
Audit of the budget 2015/2016	- Ensure that all compliance requirements are met - Review budget for validity, accuracy and completeness
Audit of Grants and Project Management	- Review the Grants Register - Recalculate balances and ensure that it agree to the Financial System - Ensure compliance with the expenditure process and SCM policy and SCM Regulations - Ensure compliance with all grant conditions
Audit of Human Resource Management	- Review of Recruitment Process - Review of Leave Management - Review of Training Process - Review of Employment Equity Plan - Review of IOD and Pension Claims - Review compliance with HR Policies
Audit of Electricity Losses	- Verify, recalculate, validate and analyse the electricity losses reported by comparing the electricity purchased from the Eskom Accounts to the electricity sales - Review processes in place to reduce losses
ADHOC REVIEWS	
Special Requests & Investigations	- At the request of the Municipal Manager, the Audit Committee, or MPAC certain special assignments / projects were undertaken
AUDITOR GENERAL	
Co-ordination of 2013/2014 external audit process	
Follow-up on 2013/2014 Auditor General Queries	
Review and follow-up on Quarterly Dashboards	

The highlight for year under review was the municipality receiving a **"Clean Audit Opinion"** for the 2013/2014 financial year.

2.5.3 RISK MANAGEMENT

MFMA section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

Risk Management is one of management's core responsibilities according to section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of a municipality. It is a systematic and formalised process to identify, assess, manage, monitor, report and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the Emnambithi/Ladysmith Municipality. When properly executed risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

A Risk Assessment is quarterly conducted by Risk Management Shared Services; through facilitating the process of identifying and assessing risk per Department to determine the magnitude of risk exposure by assessing the likelihood of the risk materialising and the impact that it would have on the achievement of objectives. The identified risks are prioritised which enables Management to focus more time, effort and resources on higher risk areas.

To mitigate the risks it is confronted with, Management implements control activities by establishing policies and appropriate procedures such as approvals, authorisations, segregation of duties, reconciliations and physical safeguards.

In addition, the Risk Management Shared Services reports quarterly to the Performance-, Risk and Financial Audit Committee on work performed and other opera□ng measures that are of interest to the Audit Committee.

The 2014/2015 Municipal Risk Management Assessment was conducted by the Provincial Treasury, in terms of section 5(4) (a) (i) of the MFMA, on the 18th June 2014. Top ten risks, both residual and inherent risks, were identified and submitted to the Risk Management Committee, Management Committee, Audit Committee, Portfolio Committee, EXCO and Council for monitoring and mitigation.

The following top ten risks of the municipality have been identified:
Table: Top Ten Risks identified by Provincial Treasury

Residual Risks	Inherent Risks
Financial Management: Asset Management	Financial Management: Debt Management
Political Office Bearers: Intergovernmental Organisation	Human Resources: Attraction and Retention
Economic Development: Investment Attraction and Retention	Political Office Bearers: Intergovernmental Organisation
Electricity: Provision	Infrastructure: Maintenance
Business Support: Ward Committees	Electricity: Provision
Human Resources: Attraction and Retention	Financial Management: Fraud and Corruption
Financial Management: Debt Management	Political Office Bearers: Councillor Conduct

Financial Management: Municipal Grant	Financial Management: Asset Management
Financial Management: SCM	Business Support: Information Technology
Business Process: Safety and Security	Business Support: Ward Committees

The remedy and solution here is that all the officials have to acquaint and familiarise themselves with the rules governing their work environment.

The Emnambithi/Ladysmith Municipality's Municipal Manager, as an Accounting Officer, appointed a Risk Committee to deliberate on risk management issues within the Municipality and sits as follows:

Table: Risk Management Committee Meetings

Quarter	Targeted No. of Meetings	No. of Meetings Held	Reasons for not Achieving Target	Corrective Measure
1	1	1 (18 August 2014)		
2	1	1 (22 September 2014)		
3	1	1 (26 January 2015)		
4	1	1 (22 May 2015)		

2.5.4 ANTI-CORRUPTION AND FRAUD

Legislative Requirements

MSA 2000 s 83 (c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

Emnambithi/Ladysmith Municipality subscribes to the principles of good corporate governance, which requires the conducting of business in an honest and transparent fashion. Consequently Emnambithi/Ladysmith Municipality is committed to fight fraudulent behaviour at all levels within the organisation.

The policy of Emnambithi/Ladysmith Municipality is zero tolerance to fraud and corruption. In addition, all fraud and corruption will be investigated and followed up by the application of all remedies available within the full extent of the law and the implementation of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies and procedures of Emnambithi/Ladysmith.

It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their immediate manager. All managers are responsible for the detection, prevention and investigation of fraud and corruption and must report all incidents and allegations of fraud and corruption to the Municipal Manager. The Municipal Manager will initiate an investigation into the matter. Should employees or any member of the public wish to report allegations of fraud and corruption anonymously, they can contact the Municipal Hotline on 036 631 4157/036 631 4184.

2.5.5 PERFORMANCE AND RISK MANAGEMENT

A combined Performance and Risk Management has been established and is functional. The overall responsibility of the unit is to assist Council members of Emnambithi/Ladysmith Municipality in discharging their responsibilities relating to the safeguarding of assets and the operation of adequate and effective systems.

2.5.6 SUPPLY CHAIN MANAGEMENT

MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

The Supply Chain Management (SCM) is centralised within the office of the Executive Manager: Finance (CFO) of the municipality, under the supervision of the CFO. Supply Chain Policy of Emnambithi/Ladysmith Municipality complies with the prescribed framework as set out in section 110-119 of the Municipal Finance Management Act, no 56 of 2003 and the SCM regulations 2005 and it was last reviewed and approved by Council together with the Adjustment budget of the 2014/2015 Financial year. The SCM unit also complies with all the legislative prescripts and circulars issued by the National Treasury.

2.5.7 BY-LAWS

(a) By-laws Introduced during financial year

Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-law?	Public Participation Date	By-law Gazetted?	Date Of Publication
		Yes/No		Yes/No	
	Public amenities	Yes	19/03/2015	Yes	19/03/2015
	Electricity Supply	Yes	19/03/2015	Yes	19/03/2015
	Cemeteries and Cremetoria	Yes	19/03/2015	Yes	19/03/2015

(b) Comments on by-laws

By-laws are adopted by Council to regulate the affairs and the services it provides within its area of jurisdiction. The Municipality derives the powers to pass a by-law from the Constitution of the Republic of South Africa, which gives certain specified powers and competencies to local government as set out in Part B of Schedule 4 and Part B of Schedule 5 to the Constitution. The objective in terms of Municipal Turnaround Strategy (MTAS) 2013 was to review 4 bylaws namely Public amenities, Electricity supply, Cemeteries and cremetoria and Outdoor Advertising bylaws.

However three of the aforementioned bylaws were adopted and gazetted, and the outdoor advertising bylaw will be presented to the Council meeting on 29/07/2015 for adoption, and thereafter gazetted.

2.5.8 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

(b) Comments on Satisfaction Levels

The Municipality has a highly effective performance management system implemented at top and middle management levels. Service delivery and client service are monitored on a monthly basis and evaluated formally on a quarterly basis. Monthly and quarterly reports are submitted to Council Committees.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

3.1 BASIC SERVICES

(a) Introduction

The Infrastructure Department has an Electrical Engineering Unit and a Civil Engineering Unit under which the Project Management and Roads, Maintenance Units operate, which is primarily based on the National key performance area of Service Delivery and Infrastructural Development. The Infrastructure and Services departments is the core service delivery unit as it maintains existing infrastructure and creates new infrastructure to improve the lives of the communities within the Emnambithi/Ladysmith Municipality. In the 2014/2015 financial year several projects were implemented utilising funding from MIG, NDPG, COGTA (Small Town Rehabilitation, Corridor Development, and Disaster Recovery Funding which are reflected in the Service Delivery Budget Implementation Plans (SDBIP).

The Emnambithi/Ladysmith Municipality is continuously progressed in addressing backlogs and in providing the prescribed basic service per household, which relates to roads, electricity and solid waste removal. Due to urbanization there has been pressure on the municipality to expand infrastructure in order to meet demands. Provision of roads, electricity and solid waste removal services is dispensed by using internal capacity within the Municipality, as well as contractors which are procured through the supply-chain management process. All indigent consumers are provided free basic services through the Municipal Indigence Policy.

The Municipality also constructed Sportfield in Bluebank, Steadville Recreational Park and 95% was achieved .Various gravel roads were constructed in all the rural wards as well as low water crossings. This component includes: waste removals, electricity; roads and human settlements; and a summary of the free basic services provided.

During the2014/2015 financial year, the Emnambithi/Ladysmith Municipality made great strides addressing service delivery backlogs in the urban, rural and township areas. The Municipality addressed electricity strengthening in the CBD and changed the electrical infrastructure in Colenso and from 6.6kV to 11kV.

3.1.1 ELECTRICITY DISTRIBUTION

All formal and informal households within the licensed area of electricity supply of Emnambithi/Ladysmith Municipality occupying a proclaimed plot has access to electricity and no service backlogs exist in this respect.

Top three electricity service delivery priorities:

(1) Upgrading of electrical networks

The annual upgrading project for the renewal, upgrading and refurbishment of electrical networks and associated infrastructure is on schedule and for the 2014/15 financial year approximately 98% of the annual revenue derived from electricity sales was allocated towards this end. Major improvement of the electricity networks

enhancing safety and reliability has also been effected including the upgrade of Forbes, Lyell mini substations and major refurbishment to the 132/11kV transformers at our Jantha Switch House which also provides system strengthening to the CBD in terms of capacity.

(2) Completion of capital projects

For the 2014/15 financial year 75% completion of all capital projects were achieved with 72.8% expenditure of the capital budget.

Capital Programme - Electrical

The Municipality implemented the household electrification project in Kirkintulloch/Mashiselweni, 322 connections. The budget amount is R7, 000,000.00, which is funded by the department of Energy (DoE).
Provision was made from the Municipal Infrastructure Grant (MIG) to fund the following Streetlight Projects.

Street Lighting Projects were implemented in Watersmeet & Driefontein (Ward 18) and 163 streetlights were installed. The budget amount is R3, 000,000.00.

Peacetown (Ward 15) 93 Streetlights were installed at the value of R1, 500,000.00.
Watersmeet (Ward 16) 94 Streetlights were installed to the value of R1, 500,000.00.

Burford (Ward 14) 87 Streetlights were installed to the value of R1, 000,000.00.

(3) Compliance with service delivery performance indicators and targets

All performance targets re service delivery with respect to availability and reliability of electricity supply were complied with and in certain instances the required targets were exceeded. Whilst in terms of the NERSA license conditions Quality of Service (QoS) specification, 30% of all power failure complaints must be attended to within 1.5 hours, the municipality set the target at 100% and for 2014/15 the actual achievement was 95%.

As a result of the allocation of experienced, technically skilled personnel and resources towards revenue protection incorporating data analysis skills, engineering and technical expertise, law enforcement certification as well as negotiation and mediation capabilities, a further reduction of the total of technical and non-technical electrical losses was achieved. The following table depicts the achievement over time:

Financial Year	Total Energy Loses (%)
2014/2015	8.49%
2013/2014	9.05%
2012/2013	10.62%
2011/2012	10.34%

(a) Major Success and Challenges

Successes

The electrification of 322 households in Embuzweni/ Kirkintulock, improving the lives of the people in the area.
Installation of 93 street lights in Peacetown, improving lighting in the area.
Installation of 94 street lights in Watersmeet, improving lighting in the area.
Installation of 163 street lights in Driefontein, improving lighting in the area.
Installation of 87 street lights in Burford, improving lighting in the area.

Challenges

Acquiring the land from Eskom in Colenso, to build the switch house.

(b) Households with Access to Level of Electricity

Description	Urban	Non-Urban	Total
Domestic	16504	N/A	16504

(c) Electricity Distribution Objectives

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
General KPIs				
Households with access to basic level of electricity	No. of urban households with access to electricity	Demand driven	16504	Achieved
Compliance Indicators				
Continuously monitor infrastructure capacity	% of new applications for development on existing erven that can be accommodated	60MVA	49MVA	Achieved
Ensure development of the master planning with respect to electricity services	Master plan for electricity services developed	100%	100%	Achieved
Maintain energy losses at an	% total energy losses (technical + non-technical)	10%	8.49%	Meter audits are carried out on a

acceptable level				continuous basis for all areas.
Capital expenditure in line with budget and time frames	% of capital budget spent	100%	71%	Achieved
EPWP monitoring	Number of work opportunities created during the financial year	45	48	Achieved
Equal employment opportunity management	No. of employment opportunities applied for appropriate equity appointments (Top Management)	4x Senior Management	3x Senior management 1X Executive Manager Vacant	1 Post Vacant
Operating expenditure in line with budget and time frames	% of operating budget spent	100%	98%	Achieved
Procurement in line with legal process	% compliance with SCM policy with the exception of approved deviations	111	111	Achieved
Risk identification and control implementation	No. of quarterly risk Assessment conducted	4	3	Achieved
Virement Policy compliance	Not more than 4 virements with respect to any line item on the budget done during the financial year?	21	21	Achieved
Appropriately monitor and maintain network infrastructure	% Maintenance of substations and lines according to maintenance plan done	100%	98%	Achieved

Ensure sufficient income to cover costs	% of expenditure covered by connection income	100%	96%	Achieved
Ensure that disruptions are in line with standards	% average compliance of planned disruptions (monthly) (<8 hrs per incident)	1	1	Achieved

(d) Employees: Electricity Distribution

Salary Level	Posts	Employees	Vacancies
05 - 10	60	35	25
11 - 14	13	5	8
15 - 18	4	2	2
Total	77	42	35

(e) Financial Performance: Electricity Distribution

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	R21 350 369	R21 552 472	R20 222 719
Repairs and Maintenance	R10 010 605	R9 900 177	R11 420 893
Other	R185 958 171	R186 027 027	R173 456 134

(f) Capital Expenditure: Electricity Distribution

Project	Original Budget	Adjustment Budget	Actual Spent
Electrification of Kirkintulloch/ Embuzweni	**R7 000 000**	**R7 000 000**	**R 7 000 000**
STREETLIGHTS - BURFORD	**R1 000 000**	**1 000 000**	**R 680 153.11**
COLENSO INDUSTRIAL SITE	**R6 400 000**	**R6 400 000**	**R1 630 646**
STREETLIGHTS - WATERSMEET	**R1 500 000**	**R1 500 000**	**R1 876 250.63**
STREETLIGHTS - PEACETOWN	**R1 500 000**	**R1 500 000**	**R1 579 090.36**
STREETLIGHTS - DRIEFONTEIN	**R3 000 000**	**R3 000 000**	**R2 402 786.90**

(g) Overall Comments on Electricity Distribution Performance

Priority of three Largest Electricity Projects: 2014/2015:

(1) Upgrade bulk electricity supply in Colenso Phase 3

Offer to purchase the land to build substation awaiting response from Eskom.

(2) Electrification of Embuzweni /Kirkintulloch

We received INEP grant to the value of R 7,000, 000.00 from DoE for the electrification and 322 households have benefited.

(3) Repairs to Sub stations

During the storm of 9 December 2012 five (5) substations got damaged, namely: Model kloof, Marula, Jantha, Steadville and Nambiti sub stations. The cost of the repairs amounted to R 129 045.01

(i) Performance related to Eskom agreements: 2014/2015

Unforeseen delays from Eskom in providing Eskom connection points is compromising the Emnambithi/Ladysmith Municipality as it is delaying the close-out of the projects.

3.1.2 REFUSE REMOVAL

(a) Introduction

A weekly household refuse removal service is available for all urban households in the Ladysmith, but rural households and townships areas have got access to refuse removal service through Siyazenzela Project. The challenge for Emnambithi/Ladysmith Municipality this year was to increase recycling and identification of new landfill site. Clearing of illegal dumping of household refuse are done on a daily basis in each town and clearing of illegal dumping of building rubble and garden refuse each month per town. The municipality is in the process of establishing one main recycling plant in Acaciavale landfill sites and three mini recycling centres in St Chads, Watersmeet and Driefontein areas.

The Acaciavale landfill site and recycling plant are managed by the Department of Infrastructure and Services. Acaciavale is the main landfill site for Emnambithi/Ladysmith Municipality and about 90% of all Ladysmith's Households' waste is received at Acaciavale landfill site.

(b) Households Access to Refuse Removals

Number of Households with Access to Refuse Removals	46674

(c) Refuse Removal Objectives

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
1 General KPIs				
Access to refuse removals	No. of households with access to weekly refuse removals	46221	46674	Target achieved
2 Compliance Indicators				
	No. landfill site managed	1	1	Target achieved
Management of Landfill Site	% of compliance with requirements of the Department of Environmental Affairs	100%	100%	Target achieved
Promote a clean environment through recycling	No. of recycling plants established	1	1	Target achieved
Clearing of illegal dumping	No. of awareness/campaigns conducted	27	34	The target was met and exceeded due to the demand and need for the awareness campaigns
	No. of school visits conducted	30	27	Transport and financial constraints
	No. of bins installed in the CBD	90	86	Financial constraints
	% of illegal dumping cleared	100	65%	Vehicle breakdowns

(d) Employees: Refuse Removal

Salary Level	Posts	Employees	Vacancies
05 - 10	5	75	6
11 - 14	3	3	0
15 - 18	2	2	0
Total	10	80	6

(e) Financial Performance: Refuse Removal

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	R11 970 642	R13 646 927	R13 600 976
Repairs and Maintenance	R69 000	R 36 000	R23 871

Other	R20 660 233	R15 882 111	R16 442 723

(f) Capital Expenditure: Refuse Removals

Project	Original Budget	Adjustment Budget	Actual Spent	Total Project Budget
N/A	N/A	N/A	N/A	N/A
Equipment : Refuse Removal	R 1,264,600.00	R 0.00	R 1,099,406.71	R 2,364,006.71
Equipment : Refuse bins, traps, skips	R 80 000.00	R 48 000.00	R 32 000.00	R 54 500.00

(g) Overall Comments on Refuse Removal Performance

Strengths

- To minimise illegal dumping and littering through sustained clean – up programmes, education and by- law enforcement.
- Strong private recycling sector already operating in Emnambithi/ Ladysmith Municipality.
- Extended Public Works Programme (EPWP) minimal waste sorted at source.
- Infrastructure and equipment to render services in rural areas.
- Commitment and ability to render services in all 27x wards.

Weaknesses

- Illegal dumping
- No recycling beneficiary projects are operating in Emnambithi/ Ladysmith Municipality.
- Maximum waste taken straight to landfill site.
- Insufficient equipment and poor access road infrastructure.
- Budgetary constraints.

3.1.3 HOUSING

(a) Introduction

The Emnambithi/Ladysmith Municipality is aiming to promote, facilitate and develop integrated and sustainable human settlements. In terms of the Housing Act of 1997 and also with reference to the housing accreditation framework, the municipality undertakes to set housing delivery goals, identify and designate land for housing development, initiate, co-ordinate facilitate, promote and enable suitable housing development. As part of the IDP, to take steps to ensure that the residents of its area have access to sufficient housing on a progressive basis and conditions which are not conducive to health and safety are removed.

As a contribution to the Housing Sector Plan (HSP), the Municipality is in the process of developing an Integrated Sustainable Human Settlement Plan (ISHSP) that will identify what is required to unlock housing delivery in a particular area of Emnambithi/Ladysmith Municipality, identify what other social and infrastructural services would be required to do so in a holistic and integrated manner.

According to Statistics South Africa, Emnambithi/Ladysmith Municipality has 58 058 households, with a population density of 237 437 people. About 80, 5% citizens' falls within formal dwellings and 49, 7% are housing owners/paying off category. The Municipal Housing Sectoral Plan highlights the number of housing projects which still need to be implemented.

(a) **Households with Access to Basic Housing: 2014/2015**

No. of households with access to basic housing- 70 households

(b) **Housing Objective**

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
1 Compliance Indicators				
Review of Housing Sector Plan	Review of Housing Sector Plan and submit to Council for approval	30 June 2015	Not reviewed	In process of reviewing the plan
Ensure that all new home owners are informed and aware of responsibilities and rights	Number of tenants and home owners training sessions held	6	6 consumer educations meetings done	Facilitator took photos of the consumer education meetings
Ensure that housing access is provided in line with planning	Number of top structures completed	345 houses	70 houses	IA's advised that the funding is inadequate.
Maintain functional structures to address housing issues	Number of housing committee/ site/ technical meetings held	1 meeting per month	8 Minutes of meetings	Meetings are ongoing.
Provide an effective and client orientated housing service	% of contractors paid within 30 days from receiving a certified invoice	Depends on processing of claims by DoHS	Depends on processing of claims by DoHS	Claims are submitted to the DoHS for payment however these claims are constantly rejected due in correct

				financial and administrative mistakes by the IA's

(c) **Employees: Housing Services**

Salary Level	Posts	Employees	Vacancies
05 - 10	10	5	5
11 - 14	4	1	3
15 - 18	5	4	1
Total	19	10	9

(d) **Financial Performance: Housing Services**

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	R4 871 494	R3 592 991	R2 783 252
Repairs and Maintenance	R6 000	R2 000	R0
Other	R417 050	R376 050	R288 992

(e) **Capital Expenditure: Housing Services**

All funding for housing projects is paid directly by the Department of Human Settlements to the Implementing Agents.

(f) **Overall Comment on Housing Services Performance**

The municipality is currently undertaking the 2010 housing Rectification project and the Storm damage housing project.
The following concerns were raised with the department of Human Settlements:

1. **2010 RECTIFICATION HOUSING PROJECT**

The Department of Human Settlements approved the reconstruction of 2772 houses in Ezakheni and Tsakane in terms of the Housing Rectification Policy where houses which were constructed from 1994 to 2010 were found to be not structurally sound and had to be rebuilt. Council in consultation with the Department of Human Settlements appointed 5 Implementing Agents to undertake the construction phase of the project. All Implementing Agents completed their portion of the houses to be rebuilt except for Messrs Stedone Developers and Amawele JV.

Messrs Stedone Developers withdrew their services citing that many of the houses that they were given had been extensively extended thus not financially viable for them to continue. Amawele JV experienced financial constraints during the implementation of the project and requested that the municipality release them from the project. Council then engaged the Department of Human Settlements and it was agreed that the balance be allocated to the following Implementing Agents:

Akhusheshe JV (93), Cymax Construction (78), Mandlethu (79), Mgiftana (74), Umlilo (71), Sibanisezwe (81), Ntokozweni and Dezzo.

Tri-partite agreements were entered into with Messrs Akhusheshe JV (93), Cymax Construction (78), Mandlethu (79), Mgiftana (74), Umlilo (71), Sibanisezwe((81). Messrs Ntokozweni Developers rejected the offer, however they have since advised that they are prepared to proceed with the project. The documentation was submitted to the Department of Human Settlements in respect of Dezzo. During 2014 however the Tri-partite agreement has not yet been signed by the HoD.

Progress for the period under review:

Service provider	No. of units allocated	Units completed
Cymax	78	15
Akusheshe	93	81
Mandlethu	79	0
Mgiftana	74	0
Isibansezwe	81	0
Umilo	71	0
Ntokozweni Developers	88	0
Dezzo	70	0

Challenges

Most of the houses within the housing rectification project have not yet been completed due to the fact that the subsidy of R63 666.00 is inadequate to continue constructing the houses within the rectification project and the Implementing Agents have indicated that they can no longer construct houses at the cost of R63 666.00 per unit. The Department of Human settlements gave a commitments to increase the subsidy by 13%, to date this has not materialised. The funding agent is the Department of Human Settlements and council is dependent upon them for the funding of the project.

2. 2012 STORM DAMAGE HOUSING PROJECT

A severe rain storm affected Ladysmith where more than 5000 houses were affected. Cogta identified 3600 houses which were damaged. The Department of Human Settlements made an application for funding based on the 3600. Upon approval of the funds, Council in consultation with the Department of Human settlements appointed 6 Implementing Agents to undertake the project.
At the inception of the Storm Damage housing project it was established that the funding for the repairs was inadequate, being R19099.80 per unit. Many of the houses had roofs which were in excess of 40m², particularly In Acaciavale and Steadville. Numerous meeting were held with the DoHS and the MEC for Human Settlements for additional funding for the repairs and rebuilds. The funding for the repairs was only approved on 18 May 2015 and the funding for the rebuilds has not yet been approved. It must be noted that the Department of Human settlements is the funder therefore council is dependent on them for the funding. There was no clear format on how the payments will be made and this created many challenges

which are still being experienced. Implementing Agents were forced to submit the same claim on numerous occasions. Messrs VNA was appointed as a project manager to provide guidance on technical matters on behalf of the municipality. Subsequent to the meeting with the MEC for Human Settlements a committee was formed, comprising of the Office of the Premier, the Provincial Department of Human Settlements, Councillors and municipal officials to provide an oversight on the project.

The Department of Human Settlements advised that they are experiencing financial constraints which would have negative implications on the projects and this will also have an impact in the 2015/2016 financial year.

PERFORMANCE OF SERVICE PROVIDERS

Council and the Department of Human Settlements have engaged on numerous occasions with the Service providers regarding their performance, however it was clear that the current funding is inadequate thus impacting on their ability to perform.

3.1.4 FREE BASIC SERVICES AND INDIGENT SUPPORT

(a) Introduction

In order to qualify for indigent support in terms of the Credit Control and Indigence Policy of Emnambithi/Ladysmith Municipality, the following conditions apply:

(b) Free Basic Services To Low Income Households

Service Name	No. of Households
Electricity Distribution	10741
Rates Services	10741
Refuse Removal	10741

(c) Financial Performance: Cost to Municipality of Free Basic Services Delivered

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Electricity Distribution	R 2 332 000	R2 332 000	R2 211 167
Rates Services	R 4 079 988	R5 450 000	R6 128 207
Refuse Removal	R10 812 000	R6 000 000	R5 343 694

(d) Comments on free basic services and indigent support

The following services are subsidised to indigent households:

- 50kWh electricity
- refuse removal

- property rates payable in respect of the premises in question are limited to a maximum amount calculated at the tariff

3.2 ROAD TRANSPORT

3.2.1 PROCLAIMED ROADS, STREETS AND STORMWATER

(a) Introduction

ROADS

The road network in Emnambithi/Ladysmith Municipality is 905km of roads.
Gravel Roads are 586.69km
Tarred Roads 305.36 km
Block paving roads are 13.31km
Unclassified Roads 2.7km

Addressing the backlog in gravel roads remains a major focus area. For the next financial year, Emnambithi/Ladysmith Municipality has taken a strategic decision to increase the spending on infrastructure maintenance.

The Municipality has prepared Five (5) year maintenance plans for the Road Infrastructure and approximately 350 Million is required.

The Gravel Road Maintenance Plan involves working one month per annum in each of the municipal wards to address backlogs and maintain existing gravel roads. Roads are constructed in- house making use of Councils plant and equipment's.

Disruptions to the programme are encountered due to equipment aging and skills shortage however annual targets are always met.
In terms of tarred roads, potholes are patched, base failures are repaired preventive maintenance is undertaken in terms of chip and spray, slurry seal and overlays.
Storm water systems are maintained using high pressure jetting and there is a programme in place for cleaning of drains, addressing damaged catch pits, repairing kerbs and channels etc.

STORMWATER

The storm water drainage network in urban areas in the Emnambithi/Ladysmith municipal area comprises a piped system and open drainage channels. The drainage system is in a fair condition with some instances of poor conditions. There are still some areas where there are no formal drainage networks and this causes flooding during summer. The upgrading of roads however contributes to the addressing of this backlog as storm water drainage is installed together with the construction of roads. This will be completed in the next financial year through Disaster Recovery Grant received from COGTA.
The misuse of the storm water system remains a matter of concern. Blockages that cause flooding regularly occur due to alien matter entering drainage pipes. Maintaining and cleaning the system is an ever increasing expense and effort.

(b) Kilometres Gravel Road Infrastructure

Total Gravel Roads	New Gravel Roads Constructed	Gravel Roads Upgraded To Tar	Gravel Roads Graded /Maintained
586.69km	37.63km	9km	69.34km

(c) Kilometres Tarred Road Infrastructure

Total Tarred Roads	New Tar Roads	Existing Tar Roads Re-tarred	Tar Roads Maintained
309.36km	9km	300.36km	300.36km

(d) Employees: Streets and Storm Water

Salary Level	Posts	Employees	Vacancies
05 - 10	121	72	49
11 - 14	34	15	19
15 - 18	34	1	2
Total	**158**	**88**	**70**

(e) Financial Performance: Streets and Storm Water

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	R14 506 447	R14 729 871	R13 904 802
Repairs and Maintenance	R20 947 427	R20 237 427	R17 774 564
Other	R5 468 380	R6 282 830	R10 134 241

(f) Capital Expenditure: Streets and Storm Water

Project	Original Budget	Adjustment Budget	Actual Spent
LINK ROAD - ACACIAVALE TO EZAKHENI	R 10 200 000	R 17 903 000	R 17 903 000
TARRED ROADS 2, 6 & 8 (2KM'S EACH)	R27 000 000	R27 000 000	R25 204 961
TARRED ROADS - NTOMBI'S CAMP (WARD 20)	R10 000 000	R10 000 000	R9 150 425
WIDENING OF A SINGLE LANE BRIDGE OVER THE RAILWAY LINE: LINK ROAD - ACACIAVALE TO EZAKHENI	R 6 819 030	R 6 819 030	R 3 154 841.42
MIG - TARRED ROADS - AREA J	R10 000 000	R12 500 000	R10 316 804
PEDESTRIAN BRIDGE - ST CHADS	R2 000 000	R2 000 000	R 1 485 739.67
DISASTER RECOVERY GRANT (RURAL, URBAN ROADS AND STORM WATER)	N/A	R 31 346 000	R 31 223 709.12

(g) Comments on the performance of proclaimed roads and streets overall

The Municipality has the Five Year Maintenance which assist in determining which assets needs to be prioritized /rehabilitated. The Municipality has the Pavement Management System in place and has local inter graded transport plan in place

Based on the funding constraints the road infrastructure needs to be prioritised in terms of rehabilitation.

The Municipality needs to acquire more equipment to ensure that each cluster has its own gravel road construction and asphalt team.

(h) Comments on the performance of storm water overall

The Municipality has five maintenance plan in place and maintenance activities are in line with the plan however due to budget constraints we have to prioritise rehabilitation issues.

The Stormwater infrastructure is in the fairly good state however cleaning of the drainage is critical to prevent flooding of business and residents.

Mobility has improved across the Municipal area with the construction of Low Water Crossing and Bridges thus reducing the risk of accidents.

3.3 PLANNING AND DEVELOPMENT

3.3.1 INTRODUCTION

The Planning domain is a dynamic profession that works to create more convenient, equitable, healthful, efficient and attractive places for present and future generations. It is about the organisation of human activity in a way that will help realise our hopes and dreams for the future. The discipline of planning has many facets: sustainable development, spatial planning, land use management, housing, urban regeneration, environmental management, local economic development, tourism planning, and urban environmental design.

The Emnambithi/Ladysmith Municipality has developed a number of plans and policy documents to guide and control activities within the municipality. The Integrated Development Plan (IDP) was reviewed by Council which outlines the developmental framework for the municipality. It aims to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area taking into account the existing conditions and problems and resources available for development. The plan looks at economic and social development for the area as a whole and sets a framework for how land should be used, what infrastructure and services are needed and how the environment should be protected.

This municipality has approved its new Spatial Development Framework (SDF) for 2015/16 financial year in line with the Spatial Planning and Land Use Management

Act (SPLUMA) and the Municipal Systems Act (MSA). The SDF is a medium to long-term strategic policy document that guides decision making relating to the development of land. It covers the whole municipal area and aligns with similar plans for the neighbouring municipalities, and is prepared in line with the within the national and provincial spatial planning policy prescripts and is a spatial representation of the Integrated Development Plan (IDP).

This document informs the Land Use Management Scheme. The Land Use Management Scheme indicates where certain land use activities can/are taking place. Town Planning scheme document is informed by the land use management scheme. The Town Planning Scheme is used to allocate zonings for different properties within the urban area, all development application are evaluated or considered by using the town planning scheme document.

3.3.2 TOWN AND REGIONAL PLANNING, VALUATIONS AND BUILDING CONTROL

TOWN AND REGIONAL PLANNING

The main elements of our planning strategies lies in spatial planning and land use management principles. Both these documents have been completed and can easily be used in evaluating development applications.

All land use applications whereby the total process is an internal one and whereby no objections have been received within the public participation are finalised within 30 - 60 days.

With regards to building control a performance indicator of 30 days has been set to finalise and/or approved building plans.

The Town Planning Section assists the Building Control Section to such an extent that all town planning matters are clarified before building plans are officially submitted to the Building Control Division.

Valuation Section

The Valuation Section is responsible for the compilation of the General Valuation and Supplementary Valuation Rolls and assisting the community i.e; issuing erf numbers, street addresses, municipal market related values, sizes of properties, and valuation certificates. ,reflecting market related values on the rates application forms received from the Rates Section via email, updating the Property Sales Spreadsheet.

Supplementary Valuation Rolls were compiled which contained amendments in compliance with the Municipal Property Rates Act.

(a) Applications for Built Environment

	Rezoning	Subdivision	Consolidation	Special Consent	Development of Land outside the scheme	Business Licences	Relaxation applications

Planning application received	18	15	5	28	0	29	24
Applications outstanding at year end	4	3	2	6	0	12	1
Applications completed	13	12	2	22	0	17	23
Applications withdrawn	1	0	1	0	0	0	0
Total	36	30	10	56	0	58	48

Building Plans

Application Category	Current Year	Previous Year
Planning application received	140	259
Applications outstanding at year end	31	26
Applications withdrawn	140	0
Total	140	259

(b) Town and Regional Planning, Valuation and Building Control Objectives

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
1. Compliance Indicators				
Apply conditions of land use approval during implementation of projects	% of Law enforcement inspections of all applications received	100%	100%	
Ensure implementation of the Spatial Development Framework	Spatial Development Framework (SDF) reviewed annually by end of June?	30 June 2015	25 June 2015	
Improve Land Use Management	Number of plans developed	2	2	

(c) Employees: Town Planning

Salary Level	Posts	Employees	Vacancies
05 - 10	8	5	3
11 - 14	17	3	14
15 - 18	4	1	3
Total	29	9	20

(d) Employees: Valuation sections

Salary Level	Posts	Employees	Vacancies
05 - 10	4	3	1
11 - 14	4	1	3
15 - 18	1	1	0
Total	9	5	4

(e) Employees: Building Control

Salary Level	Posts	Employees	Vacancies
05 - 10	11	2	9
11 - 14	7	1	6
15 - 18	2	1	1
Total	20	4	16

(f) Financial Performance: Town Planning

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	R4 624 076	R4 464 661	R4 171 117
Repairs and Maintenance	R4 240	R2 000	R0
Other	R2 827 790	R2 523 119	R972 570

(g) Financial Performance: Valuation

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	R2 139 006	R2 228 233	R2 008 278
Repairs and Maintenance	R3 021	R500	R0
Other	R802 560	R798 474	R623 627

(h) Financial Performance: Building Control

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	R1 887 832	R1 678 441	R1 695 105
Repairs and Maintenance	R2 000	R1 000	R0
Other	R146 640	R90 000	R54 269

(i) Comments on Town Planning, Valuations and Building Control overall

VALUATION SECTION (CORPORATE SERVICES)

The Valuation Section continues to operate with skeletal staff which is a real challenge as additional Valuers are required to cope with the workload in this Section. Nevertheless, under these conditions, the Section managed to meet and exceed its targets.

TOWN PLANNING

The Town Planning section has worked extremely in preparing for the Spatial Planning and Land Use Management Act (SPLUMA) coming into effect on 01 July 2015. The Act imposed a number of responsibilities on the municipality especially when processing applications of which the municipality ensured readiness. Further to that the Act requires municipalities to come with wall to wall scheme within 5 years from the date of the Act. The Emnambithi/Ladysmith Municipality had started the process

of developing a wall to wall scheme under the KwaZulu Natal Planning and Development Act (PDA) because of challenges in sourcing development applications from COGTA which should be included in the new Scheme and such then delayed the adoption of the Schemes. The Subdivision of Agricultural Land Act also inhibits municipalities from establishing wall to wall schemes in the land parcels governed by the Act and such also forced the municipality to amend the methodology by establishing land development policies over such land parcels rather than schemes.

In terms of the Municipal Systems Act the section had to review the Integrated Development Plan and its component the Spatial Development Framework and as such the two (2) documents were adopted by Council on 25 June 2015. In the 2014/2015 financial year the Town Planning section worked tirelessly to ensure that all statutes and legislations were complied with.

BUILDING CONTROL UNIT

The Building Control Unit has during the financial year undertaken backlog inspections, inspections of low cost housing unit, General Inspections, issued notices for non-compliance structures in terms of National Building Regulations.

The Unit is also involved in the pre-scrutinizing and examining of Building Plans received for Construction Approval

The Unit also provides support to the Public/Building professionals in respect of development of properties and Legal compliance.

The Unit works closely with NHBR, SCAP, AMAFA, Architects, Engineers, Landscape Architects, Professional Surveys and etc. to ensure safe, sustainable, energy efficient and aesthetically pleasing.

3.3.3 LOCAL ECONOMIC DEVELOPMENT

(a) Introduction

Vision

"To promote Economic Development and Growth in our Municipality. "

Mission

"To address unemployment and poverty through promotion of agriculture, commercial and industrial productivity, education, skills development, tourism development. To develop and implement strategies that encourage citizens' participation in sustainable economic development"

The Emnambithi/Ladysmith Municipality Local Economic Development (LED) component is one of the units under the Development Planning and Human Settlements Department. LED is an on-going process by which stakeholders and institutions from all spheres of society, the public and private sector as well as the civil society, work jointly to create a UNIQUE advantage for the locality and its firms, tackle market failures, remove bureaucratic obstacles for local businesses and strengthen

the competitiveness of local firms. Within the Led Section there is an Information office and museum. These centres serve mainly tourists from the N3 and N 11 national roads. It provides history on Anglo-Boer War and role played by different racial groups during the war. The centres include the Ladysmith Siege Museum, Colenso R.E. Stevenson Museum and non-functional Emnambithi Cultural Centre.

Based on the outcomes of the process the strategic themes to be priorities in the medium term are as follows:

- Job Creation Initiatives
- Attraction of new Investment
- Stakeholder Engagements
- Sustainable and growth of small and medium businesses
- Improvement in the Agricultural Sector
- Formalization and growth of the Informal Economy Sector

Main roles that the Municipality can play are:

- ✓ Identify and dispose municipal assets such as land, buildings and/or commonage for deployment on a social enterprise basis to allow public to be able to establish small enterprises.
- ✓ Cluster support and resources to develop local people both and constantly improve their skills and production.

(b) Jobs Created by LED Initiatives (Excluding EPWP projects)

Description	Jobs Creation	Jobs Lost
Aloe Manufacturing Project	10	00
Agricultural Projects	108	00
Waste Recycling Project	20	00
Fresh Produce and Agri Processing Hub	10	00
Arts and Craft projects	20	00

(c) Job creation through EPWP projects

No. EPWP Projects	No. of Jobs Created
Linked Road	15
Job Creation Engineering Services	55
Tarred Roads Area J	10
Job Creation Electrical	51
Zibambele	170
Scholar patrol Lollipop	13
Municipal Security	59
Flood Management	7
IDT	100
Siyazenzela	235
Solid Waste	7

(d) Local Economic Development Policy Objectives

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
1 General KPI				
General KPI: Jobs created through municipality's LED initiatives including capital projects	Number of jobs created through Municipality's LED initiatives	240	304	LED's intervention in assisting SMME projects has resulted in a number of job opportunities for those SMMEs.
2 Compliance Indicator				
Assist new businesses to establish in the area	No. of new businesses persuaded	4	5	Number of businesses was persuaded to be established in various Industrial Areas within the Municipality.
Complete LED strategy and action plan and align to the District wide competitiveness project	Date of Adoption	30 June 2015	September 2014	LED Strategy was adopted by Council
LED fund management	% of the LED funds actually spent	100%	85%	The incomplete signings of MOA's between ELM and SMMEs has delayed the section to active its target.
Liaison with business role-players	Annual events with local business held	2	2	
Facilitate the development of Arts and Culture and preservation of Heritage	Number of Tourism, Arts and Cultural events hosted	12	33	
	Number of registered tourism businesses with Community Tourism Organisation (CTO)	20	24	

(e) Comments on Local Economic Development and Tourism overall

Local Economic Development

The LED Section is still having challenges in attracting new investments within the area but is working closely with Department of Trade and Investment in making sure that potential investments are persuaded so as to enable job opportunities. Insufficient funds to implement some of the LED projects have delayed the section. Capacity training of staff in the section is requested in order to ensure growth and capacity within the section. Relationship between the section and other external stakeholders has improved over this financial year to enable economic growth for the town.

Tourism

The information centre and Cultural Centre that was situated at Railway Institute Building provided history on Ladysmith Black Mambazo and other Zulu related cultural activities including dress codes, including a dedicated centre for all tourism related activities.

The operations of the section were extensively distracted due to the closure of the above establishments, particularly information centre which still required improvements to ensure that it render proper service to our tourists.

The Main Challenges which are currently faced by the Section:

- Challenges in marketing and promotion: insufficient budget dedicated budget to production of marketing material to promote Ladysmith
- In-availability of a dedicated Centre/Information Centre that Markets And Promotes Tourism in Ladysmith
- Lack Of Funding to extend current museums to attract different market and Changed tourist interest

3.4 COMMUNITY AND SOCIAL SERVICES

3.4.1 COMMUNITY DEVELOPMENT AND THUSONG SERVICE CENTRES

(a) Introduction

The strategy has four focus areas, under which performance will be discussed below:

- Services to the vulnerable /Thusong Service Centre

The Emnambithi/Ladysmith Municipality has got four Thusong Services Centre in St Chads, Watersmeet, Roosboom and Driefontein areas. Larger number people from rural areas make use of government facilities to access government services. The location of mini library in St Chads Thusong Centre is one the municipality's successful project.
Local enterprises have been invited to utilize the centre, as means to bring service closer to the community.

- **Youth development**

After having made various interventions to conceptualize and advance Youth Development since the dawn of democracy in 1994, a review on Youth Development indicates that despite much effort that has been made the challenges of developing young people's remain mammoth (Huge), the fact that the majority of this young people hail from the previously disadvantage black communities.

Main targets are as follows:

- 18-35 years old
- School-aged-out -of- School aged
- Skilled and unskilled
- Youth in Business
- Youth in conflict with law
- Youth heading household
- Youth in Rural Areas
- Young Woman
- Youth with disabilities
- Youth with HIV and Aids

Youth Key Performance Areas:

- **Local Youth Services and Social Cohesion**: where we promote Youth Social Dialog and create opportunities for young peoples to serve their communities through Youth Summit which always take place every year early December, Youth Day Commemoration, Young Woman's Indaba and Heritage Day Celebration.

- **Economic Participation** : We enhanced the participation of young people in the economy through targeted and integrated programs, like in 2014/2015 the Youth Development Office able to assist 95 young people of Emnambithi/Ladysmith Municipality to open their own business and conducted Youth in Business workshops which in total has benefited more than 456 young people who are currently in a process of financial grant applications, while the Youth office embarked in an Integrated program with one of the progressive State Owned Enterprise Eskom (SOEE's) through an annual fully flashed capacity building training and provided tools of trade including I pad's and Lap top which had 291 young people benefitted who are currently running their business and just recently the Youth Development Office has also recruited 93 young people who are expected to commence their annual capacity training which is also conducted by the provincial Department of Economic Development and Tourism in collaboration with the Services SETA and the Municipality where young people will be given a stipend of R 1500 per month during the course of the year.

- **Training and Development:** The Youth Office promote, facilitate and provide training and development opportunities to young people in order to enhance

their socio-economic wellbeing. on 2014/2015 financial year, Youth Development office able to award Learning Grant in Aid to 149 young people to enable them to enroll in all institutions of higher learning within the country, and able to facilitate an annual scholarship program for 25 young people to further their studies in Cuba for Medicine, and 19 who went to India to study various courses of their choices, while we able to absorb more than 500 young girls and boys on EPWP, and 124 on learn ship for marketing, while 76 are currently doing learn ship on tourism. On January 2014/2015 we have recruited 27 young people who are graduates and matriculates which is our annual program and it has assisted in ensuring that young people are getting exposed in the working environment, to an extent that out of 16 graduates recruited 9 of them are permanently employed within the term of their contract. Capacity Building Workshop, for Unemployed Graduates and Youth Job-seekers, by giving them necessary skills to seek jobs and empower themselves.

- **Youth Advisory and Information Services:** The Youth Development Office ensures that there is access for youth information about various interventions aimed at improving the living conditions of young people, including information and career guidance services for young people. Since 2014/2015, has assisted more than 7000 young people with access to information such as providing services with internet, career guidance and exhibition, science expo and conduct youth mass meetings, as per the Local Government Municipal Systems Act of 2000, about public participation, the establishment of the youth forums in all 27 wards which are functioning, the Youth office also facilitates the functioning of 17 Youth NGO's and NP'O's within the municipality and further to that , the Youth Office conduct Operation Masifunde which assist more than 645 young matriculates every year by providing extra classes during their off season including the facilitation of Exam Prayer and the collection of school uniforms after exams to be distributed to more than 352 students who are deserving during the beginning of every year, while the office assist more than 4000 young people for CV writings, interviews and job applications every year.

Main Objectives

- To integrate Youth Development into the main stream of government
- To enable young people of Emnambithi/Ladysmith Municipality to develop the knowledge, skills and ability needed for them to make a healthy transition to adulthood
- To give all young people of Emnambithi/Ladysmith Municipality a means out of long term unemployment, by providing them with tangible opportunities which increase their chances of accessing economy.

- **Co-ordination of Social Development (Operation Sukuma Sakhe)**

(b) Community Development Policy Objectives

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
1 Compliance Indicators				
	Number of home gardens established	-	-	-
Promote access to social development services for vulnerable people	Number of youth capacitated through Mass Skilling Project	-	-	-
	Number of meetings with Social Development Forums established	-	-	-
	Number of functional HIV/Aids training forums established	27	25	Only 19 are fully functional. 2 are not established (11,12)
	Number of functional youth forums established	-	-	-

(c) Employees: Community Development: Youth

Salary Level	Posts	Employees	Vacancies
05 - 10	2	2	0
11 - 14	1	1	0
15 - 18	N/A	N/A	N/A
Total	3	3	0

(d) Employees: Operation Sukuma Sakhe

Salary Level	Posts	Employees	Vacancies
04 - 10	3	3	0
11 - 14	3	3	0
15 - 18	N/A	N/A	N/A
Total	6	6	0

(e) Financial Performance: Community Development Youth

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	-	-	-
Repairs and Maintenance	-	-	-
Other	-	-	-

(f) Financial Performance: Operation Sukuma Sakhe

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	-	-	-
Repairs and Maintenance	-	-	-
Other	-	-	-

(g) Comments on the performance of Community Development

3.4.2 LIBRARIES

(a) Introduction

Emnambithi/Ladysmith has five libraries in its area. All libraries, i.e. those located in Ladysmith, Agra-Crescent, Colenso, Steadville and Ezakheni operate from Monday to Saturday.

(b) Libraries Objectives

Performance Objectives	Key Performance Indicator	Target	Actual
Protect library material through consumer training	Number of annual consumer training programmes(outreach programmes)	8	22
Improving Membership	Number of new membership	800	1399
	Number of school visits conducted	8	27

(c) Employees: Library Services

Salary Level	Posts	Employees	Vacancies
05 - 10	28	24	4
11 - 14	2	1	1
15 - 18			
Total	30	25	5

(d) Financial Performance: Library Services

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	R7 866 273	R7 411 733	R7 048 259
Repairs and Maintenance	R34 540	R240 000	R160 595
Other	R4 381 470	R3 803 009	R989 794

(e) Comments on the performance of libraries overall

Libraries have a total of 12051 registered members. A total of 171236 library material was circulated for the year. Cyber Internet Stations are fully functional at four of our libraries. Department of Arts and Culture, selected the Emnambithi/ Ladysmith Library Services to receive a Toyota Quantum to be utilised for rural outreach programmes

3.5 ENVIRONMENTAL PROTECTION

3.5.1 OCCUPATIONAL HEALTH AND SAFETY (INCLUDING POLLUTION CONTROL)

(a) Promote a clean and healthy environment

To address all health complaints and applying the By-Law relating to the prevention and suppression of nuisances – and ensure that all identified erven in urban areas are complaint.

Pest control – only on municipal premises as well as an Annual Pest Control programme where we deal with crawling insects as well as rodents in the municipal storm water drain system.

(b) Occupational Health and safety policy objectives

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
Compliance Indicators				
Workplace safety awareness campaigns in all departments	No. of awareness campaigns conducted	1	1	
Ensure that all capital projects comply with safety regulations	% of projects with safety specifications			
Ensure that health and safety committees are functional	Number of quarterly meetings of Health and safety committees held?	4	2	Two (2) meetings were postponed due to quorum

(c) Comment on the performance of occupational health and safety overall

Executive Manager Corporate Services serve as a champion in ensuring compliance with Occupational Health and Safety Act as well as sitting of Safety Committee meetings.

3.6 SAFETY AND SECURITY

3.6.1 TRAFFIC AND LAW ENFORCEMENT SERVICES (INCLUDING LICENCING AND REGISTRATION SERVICES)

(a) Introduction

Road safety programs assist motorists and pedestrians to act proactively and to change negative behaviour towards road safety. The risk of accidents was reduced through visibility and road safety educational programs.

(b) Traffic Policing and By-law Enforcement

Category	Previous Year Actual Number		Current Year Actual	
Number of law-enforcement officers in the field on an average day	18		26	
Number of law enforcement officers on duty on an average day	18		26	
Number of by-law infringements attended	Stray Animals	N/A	101	
	Notices Issued		168	
	Complaints		99	
Number of road traffic accidents during the year	Ladysmith	950	Ladysmith	944
	Steadville	59	Steadville	39
	Ezakheni	195	Ezakheni	225
	Total	1204	Total	1208

(c) Traffic Policing and By-law Enforcement Policy Objectives

Performance Objectives	Key Performance Indicator		Target	Actual	Comments
Compliance Indicators					
Provide an effective traffic and law enforcement service	Number of vehicle check points held per annum		1800	3355	Target Achieved for Vehicle Check points to enable law enforcement and increase safety as well as prevent loss of life.
	Number of by-law operations held	Awareness	N/A	104	Awareness operations were held to in respect of educating the community

				regarding by-laws and their responsibilities in respect of compliance.
	Number of roadblocks held per annum	12	24	Target Achieved for planned Road Blocks with SAPS, RTI or other role players to enable law enforcement and increase safety as well as prevent loss of life.
Ensure proper monitoring of the Client Service Charter	% of motor registration and licensing cases handled within a required time frames	100%	100%	This section consists of testing of candidates for learners and drivers Licenses to determine their proficiency and issuing of law enforcement and is subject to the supply vs demand concept of the community.
Report to council regularly	Monthly report submitted?	Yes	Yes	

(d) Employees: Law Enforcement Officers

Salary Level	Posts		Employees		Vacancies	
	By-Law	Traffic	By-Law	Traffic	By-Law	Traffic
05 - 10	3	21	3	21		1
11 - 14	1	3	1	3		1
15 - 18						
Total	4	24	4	24	0	2

(e) Financial Performance: Law Enforcement Officers

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	R 15 798 695	R13 514 633	R14 198 324
Repairs and Maintenance	R 1 219 302	R1 022 476	R838 173
General Expenses	R2 395 236	R2 504 357	R2 306 695

(f) Capital Expenditure: Law Enforcement Officers

Project	Original Budget	Adjustment Budget	Actual Spent	Total Project Budget
N/A	N/A	N/A	N/A	N/A

(g) Comment on the performance of Traffic Policing and By-law Enforcement overall

The following key performance indicators are measured on quarterly basis. Key performance Indicators are the following:

The safety of all road users is of great importance to the Emnambithi / Ladysmith Community Services Department and therefore all efforts are made to ensure the safe and free flow of traffic in and around Emnambithi / Ladysmith. Regular high visibility patrols are conducted. Point duty by traffic officers are conducted at certain problematic locations in the mornings.

- Foot patrols: Officers engage in both routine (as specified by the operational law enforcement plan) and random foot patrols. This has greatly assisted in regard to management and deterrence of illegal trading, parking violations and other offences.

- Roadblocks: Due to high visibility and alcohol law enforcement during planned roadblocks in conjunction with other role players (eg: SAPS, RTI) Traffic Law Enforcement has managed to achieve a marked decrease in motor vehicle accidents during festive periods. The number plate recognition system is currently used to detect offenders not paying traffic fines. The significant amount of drunken driving arrests made by officers serves as an extreme deterrent to motorists who are likely to drink and drive. In this manner the Community Services: Public Safety section has effectively utilized roadblocks as a tool to prevent loss of life and promote road safety.

- By-law enforcement: By-Law officers respond to complaints from the public in regard to health hazards, illegal dumping, stray animals, noise disturbances and other matters. These officers then educate the offenders and make efforts to rectify the source of the problem. By-Law officers liaise with other municipal sections in cases where their assistance is required to resolve an issue and follow up until the resolution of the matter. By-Law officers held operations in respect of educating the community regarding by-laws and their responsibilities in respect of compliance therewith.

- Vehicle check points (VCP): Officers utilized vehicle check points to target specific offences (eg: not wearing seatbelts, talking on a cellular phone whilst driving) as well as to check for the roadworthiness of vehicles. When officers address these traffic violations it urges motorists to refrain from committing the same offence in future. This resulted in more motorists using their seatbelts, refraining from using a cellular phone whilst driving and ensuring that their

vehicles were in good working condition. In turn this prevents the loss of life due to driver negligence and ensures road safety.

- Driving and learners licenses: Officers ensure that they always check for the validity of the driver's licence in order to assess if the driver is authorized to drive the vehicle that they are operating. These checks guarantee a decrease in motorists who are likely to operate a vehicle without a valid licence. This is vital as unlicensed drivers are more likely to pose a hazard to themselves and other road users. The dedicated licence checks by officers therefore contributes to road safety and prevents loss of life on the road.

3.6.2 FIRE FIGHTING SERVICES

(a) Introduction

Emnambithi/Ladysmith Municipality has a Fire Fighting Service consisting of five (5) full time fire officers and nineteen (19) working on fire (Veld & Forest) trained staff. The top service delivery priorities for the year under review were:

- Preventing the outbreak or spread of fires
- The saving of lives and property
- To react rapidly with the available resources to extinguish reported fires.

During the year under review the Emnambithi/Ladysmith Fire Service reacted to two hundred and sixty eight (268) fires and forty five (45) other incidents within the average turnout time especially within urban areas. The service delivery within the rural areas is still challenging.

Category	Previous Year Actual Number	Actual Number
Total fires attended in the year	312	268
Average turnout time - rural areas	30 minutes	30 minutes
Average turnout time - urban areas	15 minutes	15 minutes
Total of other incidents attended in the year	57	45

(b) Fire Service Policy Objectives

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
Compliance Indicators				
Communicate Disaster Management Plan with relevant role-players	Number meetings held	1	1	Disaster Management Plan was workshopped with Councillors

Compilation and annual review of the Disaster Management Plan	Compilation completed by 30th June 2015	30th June 2015	25th June 2015	Disaster Management Plan was reviewed and adopted at Council on the 25th June 2015.
Provide a quality fire fighting service	Monthly inspection of vehicles and equipment done?	Yes	Yes	This is done on a bi-weekly basis as well as during random inspections.
	Number of vehicles not operational for more than 5 days during the month	0	2	NKR 21555 (Water Tanker) and NKR 10703 (Pump 3). Note that both of the engines for these vehicles had to be re-done.
	Complaints not sufficiently addressed within 5 days regarding firefighting services	0	0	All complaints were sufficiently addressed within 5 days.
Reduce fire risks through continuous public awareness	Number of educational / awareness campaigns	54	72	Road Safety Lectures were also presented at schools within Emnambithi/ Ladysmith across all 27 wards

(c) Employees: Fire Services

Salary Level	Posts	Employees	Vacancies
05 - 10	4	4	
11 - 14	4	2	2
15 - 18			
Total	8	6	2

(d) Financial Performance: Fire Services

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	R2 802 349	R3 364 315	R3 218 245
Repairs and Maintenance	R170 246	R118 200	R86 428
Other General Expenses	R2 623 784	R2 783 782	R1 523 633

(e) Capital Expenditure: Fire Services

Project	Original Budget	Adjustment Budget	Actual Spent	Total Project Budget
N/A	N/A	N/A	N/A	N/A

(f) Comments on the performance of fire services overall

The available resources are used to do the best we can to safeguard the community and to respond rapidly to any fire.

3.6.3 CIVIL PROTECTION (INCLUDING DISASTER MANAGEMENT)

(a) Introduction

The Emnambithi/Ladysmith Municipality is continuously progressing in addressing backlogs and in providing the prescribed basic service per household, which relates to roads, electricity and solid waste removal. Due to urbanization there has been pressure on the municipality to expand infrastructure in order to meet demands. Provision of roads, electricity and solid waste removal services is dispensed by using internal capacity within the Municipality, as well as contractors which are procured through the supply-chain management process. All indigent consumers are provided free basic services through the Municipal Indigence Policy.

(b) Civil protection (including disaster management) objectives

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
Compliance Indicators				
Annual review of Disaster Recovery Plan	Review completed by the 30th June 2015	30th June 2015	25th June 2015	Disaster Management Plan was reviewed and adopted at Council on the 25th June 2015.

(c) Financial Performance: Civil protection (including disaster management)

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	N/A	N/A	N/A
Repairs and Maintenance	N/A	N/A	N/A
Other	N/A	N/A	N/A

(d) Comments on the performance of Civil protection (including disaster management) overall

There is no specific staff assignment for Civil Protection as these duties, when within the Emnambithi/ Ladysmith Municipality, fall under the duties of the Community Services: Public Safety, Fire Section.

3.7 SPORT AND RECREATION ACTIVITIES

3.7.1 PARKS AND RECREATIONAL AREAS AND SWIMMING POOLS

(a) Introduction

Emnambithi/Ladysmith Municipality operates and maintains sports facilities and public swimming pools. These facilities cater for a variety of sporting codes including soccer, netball, tennis and volleyball. Vandalism of facilities is an area of concern and constant supervision is required as a mitigation measure. Unfortunately full time supervision cannot be provided at all facilities due to the operational cost implications. The cost of the operation and maintenance of sport facilities remains challenge as sport facilities in rural areas do not generate enough income to cover the operation and maintenance expenditure. It must therefore be funded from public revenue sources. Any extensions or new sport fields will increase the burden on public revenue sources.
The Municipality operates and maintains three cemeteries. The services provided include the timely and correct preparation of graves for use, maintaining a register of graves and the maintenance of cemeteries to an acceptable level of tidiness.

(b) Parks and Recreational Areas and Swimming Pools Policy Objectives

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
Compliance Indicators				
Plan and budget for the provision of new (and the maintenance of existing) play areas for children	Number of new recreational park developed	1	1	
	Number of existing recreational parks maintained in terms of maintenance plan	4	4	
Ensure availability of swimming pools through proper maintenance	Number of new swimming pool developed	2	2	
	Number of swimming pool maintained in terms of maintenance plan	5	5	St chads pool had no electricity for operational purposes and Agra pool needed repairs as it was leaking.

(c) Employees: Parks and Recreational Areas, Cemeteries and Swimming Pools

Salary Level	Posts	Employees	Vacancies
05 - 10	37	17	20
11 - 14	7	4	3
15 - 18	-	-	-
Total	44	21	23

(a) Financial Performance: Parks and Recreational Areas, Cemeteries and Swimming Pools

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	R12 671 758	R14 292 563	R14 240 257
Repairs and Maintenance: Swimming pools	R1 142 220	R1 025 180	R850 056
Repairs Cemeteries	R7 850 672	R7 771 824	R5 209 679

(b) Comments on the performance of sports, parks and recreational areas and swimming pools overall

3.8 CORPORATE POLICY AND OTHER SERVICES

3.8.1 ADMINISTRATION CIVIL ENGINEERING SERVICES

(a) Civil Engineering Services Policy Objectives

Performance Objectives	Key Performance Indicator	Target	Actual
Access to solid waste removals	Number of households with access to basic level of solid waste removal	46221	46674
Access to free basic services	Number of households with access to free basic services	100%	100%
Operating expenditure in line with budget and time frames	% of operating budget spent	100%	92%
Procurement in line with legal process	% compliance with SCM policy with the exception of approved deviations	100%	100%

(b) Financial Performance: Civil Engineering Services

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	R2 325 275	R2 426 953	R2 336 384
Repairs and Maintenance	R0	R0	R0
Other	R94 540	R140 000	R106 625

3.8.2 ADMINISTRATION CORPORATE SERVICES

Performance Objectives	KPI	Target	Actual	Comments
General KPI's				
% of the budget spent on implementing the workplace skills plan	% of the municipality's salary budget actually spent on implementing its workplace skills plan	R 1 300 000	R 1049603.45	SCM is in the process of finalising appointing of Service Providers
People from employment equity target groups employed	Number of People from previously disadvantaged group appointed in the three highest positions in terms of the Municipality's approved Employment Equity plan	8	6	Could not attract a suitably qualified candidate and Council has resolved to separate the position of Executive Manager Infrastructure and Services into two departments-to be Executive Manager Public Works and Basic Services and Electrical Engineering Services of which it is already been advertised.
Compliance Indicators				
Communicate results of performance measuring to the public (positive as well as negative)	Annual report published on the municipal website	Yes	Yes	

Develop an incidents system for measurement and reporting on the client services charter	Number of Rapid Response Committee Meetings held to address public complaints/queries	1	1	Only 1 meeting sat, 30 July 2014.
Audit issues resolved	% of Auditor General's actions implemented within agreed time frame	100%	100%	

(a) Employees: Corporate Services

Salary Level	Posts	Employees	Vacancies
05 - 10	55	26	29
11 - 14	35	17	18
15 - 18	7	5	2
Total	97	48	49

(b) Financial Performance: Corporate Services

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	R5 818 497	R5 467 966	R4 840 089
Repairs and Maintenance	R10 290	R2 600	R0
Other	R2 016 530	R1 938 861	R1 868 159

(c) Capital Expenditure: Corporate Services

Project	Original Budget	Adjustment Budget	Actual Spent	Total Project Budget
N/A	N/A	N/A	N/A	N/A

3.8.3 ADMINISTRATION DEVELOPMENT SERVICES

See 3.1.3- Housing and 3.3.3- LED

3.8.4 ADMINISTRATION ELECTRICAL ENGINEERING SERVICES

See paragraph 3.1.3 - ELECTRICITY DISTRIBUTION.

3.8.5 ADMINISTRATION FINANCIAL SERVICES

See chapter 5

3.8.6 ADMINISTRATION OFFICE OF THE MUNICIPAL MANAGER

(a) Introduction

The Municipal Manager's Office comprises of the following sections:
Mayoral Office
Internal Audit
Performance Management
Youth Section
Communications Section
Public Participation
Sukuma sakhe Section

3.8.8 SECRETARIAT AND ARCHIVES

(a) Introduction

The secretariat and archives division renders a comprehensive and effective administrative support function regarding secretariat services, ward committees and archives and records activities to support the recording, updating, circulation and maintenance of information from, to and within the municipality.

During the year under review, the following number of Council meetings were held:

Structure	No. of Meetings
EXCO	15
Special EXCO	3
Council	12
Special Council	NIL
Social Services Portfolio Committee	16
Special Social Service Portfolio Committee	3
Support Service Portfolio	12
Special Support Service Portfolio Committee	NIL
Finance Portfolio Committee	11
Special Finance Portfolio Committee	1
Development Planning & Human Settlements Portfolio Committee	12
Special Development Planning & Human Settlements Portfolio Committee	NIL
Community Services Portfolio Committee	12
Special Community Services Portfolio Committee	1
Technical and Planning Portfolio Committee	12
Special Technical and Planning Portfolio Committee	2

(b) Secretariat and Archives Objectives

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
General KPI's				
Adequately distribute all incoming correspondence	% of incoming mail referred within 48 hours	100%	100%	Achieved
Appropriately manage the filing system	Adoption of Municipal File Plan by 30 June 2015	30 June 2015	25 June 2015	Achieved
Ensure an effective secretariat service to Council, Mayoral Committee and ward committees	Distribution of agendas within a stipulated timeframe	5 days prior the actual date of meetings	5 days	Achieved
	Issuing of minutes within a stipulated timeframe	Within 5 days after the date of meetings	5 days	Achieved
Ensure the disposal of records according to Disposal Authorities issued by the Provincial Archivist	Number of disposal of records according to Disposal Authorities done by June?	0	0	General disposal Authorities will be implemented in 2015/2016
Manage archives in a legally compliant manner	Review of Municipal Records and Archives Policy by June 2015	30 June 2015	25 June 2015	Achieved

(c) Comments on the performance of Archives overall

Management of electronic records

The municipal officials has either an office computer or laptop with individualized email address and as a result officials receives official correspondence via emails. The management of these records has not been coordinated. An E-mail management policy will be implemented in 2015/2016 financial year to manage electronic transmitted correspondence.

3.8.9 MARKETING AND TOURISM

(a) Introduction

The key performance areas of this unit is the preservation and promotion of heritage, arts and culture as well as management of museums. Furthermore, promote and market Ladysmith as a preferred tourism destination. It extends to management of tourist information offices which provide tourism information, historical information, telephonic information, general information and is aimed at promoting Ladysmith as a preferred tourist destination in KwaZulu-Natal.

To promote Tourism, Arts and Culture, The following annual events were conducted during the period under review:

Events	Description
Loliwe Tourism Train	The event was used as a platform to market Ladysmith and to promote local economic development as well as tourism and art & culture within our area. Leading from the event a list of co-operatives in the textile industry have been selected as part of the co-operative development which is being done by LOLIWE.
Maidens Camp 23-24 August 2014	The Emnambithi/Ladysmith Municipality in conjunction with the Department of Arts and Culture hosted the Annual Maidens Camp at the Indoor Sports Centre. The Camp was graced by the presence of the Queen of Zulu Kingdom in preparation for the Royal Reed Dance which was celebrating thirty years of its revival. More than two thousand maidens attended the camp.
Auditions for easy Sundays Production	The auditions were facilitated by the Production Manager from Easy Sundays Production- Thapelo Mokoena. The auditions were held in Ladysmith Town Hall and local drama and theatre group were invited to take part. The movie was shot at Umbulwane area in Ladysmith. The movie called Reflections is now appeared in Mzansi Biskop, DSTV channel 161.
Auditions for uShaka Marine World: 31 August 2014	The Department of Arts & Culture in partnership with uShaka Marine Durban hosted the 2014 local auditions for selection of performers for uShaka Marine World Durban. During this process no financial implications incurred by the municipality.
Islamic Education Centre Food and Art Fair	The Islamic Education Centre hosted its Spring Festival and Food Fair on Saturday, 6 September 2014. The Municipality was requested to provide assistance through its Community Outreach Programme.
Gandhi Walk	The Ladysmith Sanathan Dharma Sabha hosted the 17th, 5 km Gandhi Fun Walk on the September 2014. The municipality assisted with the co-ordination of the programme as well as manning of the water stands for the participants.
Indlamu Competition	As part of the celebration of heritage and tourism month the section hosted the Traditional Dance Competition in Ezakheni, B Section. The competition was opened to all groups from Uthukela District. The following categories were selected for the competition: Ushameni -13, Indlamu -11 and Isigekle -4.
Maskandi Competition	The section hosted the Maskandi Competition in Peacetown. The competition was opened to all groups from Uthukela District.
Dundee July	The Museum, Tourism, Arts and Culture Section participated and hosted at the Mayoral Stand at the Dundee July that was held on 19

	July 2014. This further included the arrangement of transport and equipment for local arts and craft exhibitors to display and sell the product during the event.
Isicathamiya Competition	Event held on 04 October 2014 at the Ladysmith Town Hall Consisted of participants from Uthukela District, including Amajuba district
Maidens Competition	Event held on 04 October 2014 at the Limit hill Park 40 Maidens from Emnambithi/Ladysmith area Miss Cultural KZN attended the event as a guest of honour
Cultural Music Festival	Event held on 04 October 2014 at the Limit hill Park Groups/Artists from different cultural backgrounds were invited 20 genres of music were performed
Vintage Car Exhibition	Static display held on 04 October 2014 10 participants from Emnambithi/Ladysmith area Platform to showcase and promote cars as they are used for hire (e.g. weddings, matric farewells)
Arts and Craft Exhibition and Flea Market	Crafters exhibited their arts and crafts. This was an ideal platform for the SMME's and cooperatives to showcase their products which was well supported by the public. To promote local economic development a flea market was held from 09:00 to 16:00 Cultural/Religious organizations sold their traditional food, highlighting the various culinary varieties in our society.
Mayoral Reception – In honour of the Council General of India	Event hosted on 07 & 08 November 2014 at the Crown Hotel Presentation on the Emnambithi/Ladysmith Municipality's Economic Development and Tourism Plan Provided a guided tour of the Siege Museum and arranged visit to other historical sites (Soofie Mosque, Gandhi Statue & Spioenkop).
Cultural Heritage Festival – Unveiling of the bust: Valliamma Munuswani Mudliar	Event held on 15 November 2014 at the Town Gardens A bust was erected and officially unveiled by Consul General of India and Spokesperson for the presidency of South Africa A formal programme was held at the Ladysmith Town Hall
Holiday Programme	The programme was held on 17 – 19 December 2014 Aim was to holidays to market the museums, battle sites and attractions in and around Emnambithi/Ladysmith area 60 children from different wards within the Emnambithi/Ladysmith area were identified through the assistance of ward councilors Sites visited are as follows: Platrand, Water Purification Works, Public Safety/ Fire Station, Cultural Centre, Siege Museum, Convent View Point & Wimpy Park. Children were given educational gift packs (e.g. school bags and stationery set)
	TOURISM AWARENESS AND ENTERPRISE DEVELOPMENT WORKSHOP The Emnambithi/Ladysmith Municipality in partnership with the KwaZulu Natal Department of Economic Development, Tourism and Environment Affairs hosted the Tourism Awareness and Enterprise Development Workshop on 12 February 2015, at Ladysmith Town Hall, at 9:00 covering the following topics: • What is Tourism – Tourism Sector Transformation Unit • Liquor Regulations and Licensing - KZN Liquor Authority

	• Small Business Development - SMME Development Unit • Consumer Protection – Consumer Unit • Types of Tourism Business and starting a new business • Formation and benefits of cooperatives – Cooperatives Unit
	Local Tourism Projects
Oral History Workshop	The Municipality has recently hosted an oral history workshop which was facilitated by Professor Radikobo Ntsimane from Provincial Department of Arts and Culture: Museum Services. This workshop was aimed at educating/familiarizing history and heritage practitioners, community members, schools and councillors about the importance of oral history. The themes of the workshop were: Theory of History, Research Methodology, Practice of Oral History, Starting an Oral History Project, Concluding the project.
Van Reenen Yenza Festival	The 2015 Yenza Cultural Festival was held at Entokozweni Community Hall in Van Reenen on 21 and 22 March 2015. This event saw schools groups and community cultural groups from Van Reenen and surrounding areas competing against each other for grand prizes.
Ezakheni Vezikhono Cycle Challenge	The Museums, Tourism, Arts and Culture section has partnered with Ladysmith Cycling Club, Uthukela District Cycling Commission, and Sport Section to host the Vezikhono Cycle in Ezakheni on 28 March 2015. The challenge will be held in four different categories. The aim of the challenge is to introduce the cycling sport to previously disadvantaged communities.
Provincial Tourism Committee Meeting – 23 And 24 April 2015	The Emnambithi/Ladysmith Municipality in partnership with the UThukela District Municipality hosted the Provincial Tourism Committee from 23 to 24 April 2015. A Mayoral Reception was arranging for the PTC for the MEC for Economic Development, Tourism and Environmental Affairs and PTC Delegates on 23 April 2015, at the Mt. View Lodge and Conference Centre.
Africa Day Celebration: 16 May 2015	Africa Day is the annual commemoration of the 1963 founding of the Organization of African Unity (OAU) presently known as AU. This day is celebrated on 25 May of every year.
Museum Day May 2015	As part of the Outreach Programme, the Museums, Tourism Arts and Culture will host the International Museum Day on 27 May 2015. 30 Senior citizens from ward 20 (Acaciavale) are invited to visit the Siege Museum and will receive a guided tour inside museum. After the tour, they will be treated to a finger lunch, they will then proceed to Juana Maria Old Age Home.
Community Gun Run	The 5km Community Gun Run was held in Murchison Street on 13 June 2015 after the official Launch of the Battlefields Festival by the Mayor of Emnambithi/Ladysmith Municipality; Cllr. MV Madlala. In this year's community gun run competition, a total number of 26 teams participated
International Gun Run	The International Gun Run Competition was held on 18 June 2015 starting from Murchison Street. This was an 8 km Gun run competition. In this competition only 08 teams participated including the winning team from the Community Gun Run
Fine Arts Evening	The Emnambithi/Ladysmith Municipality in partnership with the Department of Arts and Culture (UThukela District) hosted the Fine Arts Evening, which incorporated Poetry and Stand-up Comedy on the 19th June 2015, in the Ladysmith Town Hall. The purpose of the event was to celebrate the rich talent and creativity that the Emnambithi/Ladysmith area has in the Arts Sector and to provide

	local artists with a platform to exhibit, showcase and sell their art work. This forms part of the strategic objectives of the Museums, Tourism, Arts and Culture Section which is the Promotion and Development of Arts and Culture in the area
Multicultural Exhibition and Traditional Cuisine	The Emnambithi/Ladysmith Municipality in partnership with the Department of Arts and Culture (UThukela District) hosted the Multicultural Exhibition and Traditional Cuisine on the 19th June 2015, in front of the Siege Museum. The purpose of the event was to celebrate the rich cultural beauty of Emnambithi/Ladysmith and areas within UThukela District Municipality. The programme consisted of two components, namely, the Craft Exhibition and the Traditional Cuisine Exhibition.
Freedom of Entry Parade and Mayoral Banquet	A freedom of Entry Parade was held during the festival to promote the rich historical heritage of Ladysmith

3.8.10 STRATEGIC MANAGEMENT

3.8.11 INTERNAL AUDIT (INCLUDING RISK MANAGEMENT)

(a) Introduction

- **Internal Audit**

The purpose of the Internal Audit (IA) is to provide an independent, objective assurance and consulting services designed to add value and improve Emnambithi/Ladysmith Municipality's operations. The scope of work of the IA is to determine whether the municipality's network of risk management, control and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure amongst others the:

i. Safeguarding of assets;
ii. Compliance with laws, regulations and contractual obligations;
iii. Reliability and integrity of information; and
iv. Economic, efficient and effective use of resources.

The Manager, Internal Audit follows a risk based audit approach whereby an annual audit plan is compiled and executed. Included in the plan are special tasks or projects requested by Management and the Performance -, Risk- and Audit Committee. Reporting to the Municipal Manager regarding the activities of the unit such as audits and investigations performed, audit findings not yet implemented and any other concerns is done on a monthly basis. Audit Committee meetings are held, as per approved schedule of meetings, where risk management, performance management, audit reports issued and performance against the audit plan are discussed.

The highlight for year under review was the municipality receiving a **"Clean Audit Opinion"** for the 2013/2014 financial year. At the Annual Audit & Risk Indaba held on the 20-22 April 2015, the Internal Audit Section's of municipality's in KZN, who achieved Clean Audit in the 2013/2014 financial year were acknowledged for their effort and invaluable contribution to their municipality obtaining a clean audit opinion

We were proud that Mrs S Mahraj, Manager Internal Audit, at our municipality won the award for BEST INTERNAL AUDITOR IN LOCAL GOVERNMENT. We were also proud that our Internal Audit Section won an award for the important role played and invaluable contribution of INTERNAL AUDIT SECTION'S within municipalities.

- **Risk Management**

MFMA section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

The 2014/2015 Municipal Risk Management Assessment was conducted by the Provincial Treasury, in terms of section 5(4) (a) (i) of the MFMA. Top ten risks, both residual and inherent risks, were identified and submitted to the Risk Management Committee, Management Committee, Audit Committee, Portfolio Committee, EXCO and Council.

(b) Internal Audit (including Risk Management) Policy Objectives

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
Compliance Indicators				
Annual revision of Risk Management Policy and Strategy	Review of Risk Management Policy and Strategy by 30 June 2015	30 June 2015	25 June 2015	
Identify risks affecting the municipality	Updating of risks register on quarterly basis	4	4	
Fraud and corruption awareness under staff	Conducting of Anti-Fraud and Corruption awareness to all staff	Yes	Yes	
Ensure proper identification of risks in the Municipality	Quarterly review and update of risk assessment of all departments done	Yes	Yes	
Ensure that the Audit Committee function as per legislation	Percentage of compliance with the relevant legislations	100%	100%	
MFMA Section 131(1): Ensure effective liaison with the Auditor-General and coordination of the implementation of the AG's findings	% of Auditor General requests for documents and information effectively obtained and submitted (Audit File) within 2 working days	100%	100%	

(c) Employees: Internal Audit

Salary Level	Posts	Employees	Vacancies
05 - 10	3	3	0
11 - 14	2	2	0
15 - 18	1	1	0
Total	6	6	0

(d) **Comments on the performance of Internal Audit**

- **Performance of Internal Audit**

During the period under review, the Internal Audit Unit executed various audits and investigations of which the results were directly reported to the Audit and Performance Audit Committee and Municipal Manager. The implementation of findings issued by Internal Audit and the Auditor-General are managed by means of a monthly report submitted to MANCO and quarterly reports submitted to the Audit and Performance Audit Committee.

3.8.12 HUMAN RESOURCES

(a) Introduction

The Human Resources provides the following services: Labour Relations, Recruitment and Selection, Training and Development, Employee Assistance, Employment Equity and all Human Resources Administration with regard to fringe benefits, etc. Human Resources Services performed an excellent and efficient service during the year and were compliant with all legislative and regulatory prescripts.

(b) Human Resources Policy Objectives

Performance Objectives	Key Performance Indicator	Target	Actual
Apply disciplinary code	Percentage of disciplinary hearing attended to	100%	100%
Continuously train and develop staff	Annual compilation of new Skills Development Plan completed by end of June?	30 June 2015	05 February 2015
Ensure legal compliance regarding employment equity reporting	Employment Equity Report submitted to Department of Labour by end of September?	05 January 2015	05 December 2014

3.8.13 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

(a) Introduction

The IT Section of Emnambithi/Ladysmith Municipality provides the following services: Network access between municipal buildings and to all users, E-mail communications, Internet access, Councillor support, Cellular and 3G communications. The unit also implements and support all desktop computers, laptops, tablets, servers, printers, copiers, telephones, PABX systems, wired and wireless networks and hardware and

software solutions. The unit consists of 4 full time officials, who support approximately 450 users.

(b) ICT Services Policy Objectives

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
Compliance Indicators				
Address requests effectively	% of requests lodged with Helpdesk resolved within 48 hours	80%	98.4%	All jobs logged on the helpdesk are being completed within reasonable timeframes, however certain tasks require additional spares or parts which must be ordered via SCM and therefore could extend the time needed for the task to be resolved.
Ensure relevant and efficient IT service and infrastructure	Annual review of ICT Strategy and 5 year Plan by end of June 2015	By 30 June 2015	23 April 2014	Approval obtained for 2014/2015 FY
	Help Desk Policy	By 30 June 2015	23 April 2014	Approval obtained for 2014/2015 FY
	Change Management Policy	By 30 June 2015	23 April 2014	Approval obtained for 2014/2015 FY
	User Access Control Policy	By 30 June 2015	23 April 2015	Approval obtained for 2014/2015 FY
	Electronic Communications Policy	By 30 June 2015	28 May 2015	Approval obtained for 2014/2015 & 2015/2016 FY
	Security Policy	By 30 June 2015	23 April 2014	Approval obtained for 2014/2015 FY
	Governance Framework Policy	By 30 June 2015	29 May 2014	Approval obtained for 2014/2015 FY
	Business Continuity and Disaster Recovery Plan	By 30 June 2015	29 May 2014	Approval obtained for 2014/2015 FY

(c) Employees: ICT Services

Salary Level	Posts	Employees	Vacancies
05 - 10	5	1	4
11 - 14	10	2	8
15 - 18	1	1	0
Total	16	4	12

(d) Financial Performance: ICT Services

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	R2 862 244	R2 153 369	R1 499 658
Repairs and Maintenance	R1 778 717	R1 758 717	R1 456 115
Other	R720 740	R693 740	R572 390

(e) Capital Expenditure: ICT Services

Project	Original Budget	Adjustment Budget	Actual Spent	Total Project Budget
Installation of new telephone	R 500 000	R 500 000	R 15 600	R 500 000
Laptops	R1 000 000	R1 000 000	R1 000 000	R1 000 000
Server	R 80 000	R 80 000	R 80 000	R 80 000
Total	R1 580 000	R1 580 000	R1 095 600	R1 580 000

(f) Comments on the performance of ICT Services overall

The IT Section is a small section with a very limited budget. However, under the prevailing circumstances of being short-staffed and a minimal budget allocation for the replacement of hardware, software and services, the Section still managed to operate at an efficient level to ensure all users are assisted within reasonable time frames. There are a few shortcomings in the Section, which will be addressed in the near future with the filling of some of the vacant positions and an increased capital budget allocation for the replacement and repairs of the aging networking infrastructure and servers.

3.8.14 SUPPLY CHAIN MANAGEMENT

(a) Introduction

Emnambithi/Ladysmith Municipality has a fully functional Supply Chain Unit. The bid committees have been appointed by the Accounting Officer and are functioning. Weekly, Monthly, Quarterly and Annual reports are submitted to the Chief Financial Officer (CFO) and to all various committees of Council. All awards made during the previous month are submitted to the Department of Co-operative Governance and Traditional Affairs (COGTA) in response to Back to Basics program. All awards are reported to National Treasury and CIDB. Unauthorised, Irregular, Fruitless and Wasteful expenditure together with Supply Chain Management deviations are

reported monthly to Council, Department of Co-operative Governance and Traditional Affairs (COGTA), Auditor General and Treasury as required by section 32 of the Municipal Finance Management Act (MFMA).

(b) Supply Chain Management Policy Objectives

Performance Objectives	Key Performance Indicator	Target	Actual
Comply with SCM Regulations – Reg. 6: Submit a quarterly report on implementation of the SCM policy to the mayor and make report public	Quarterly report submitted to the Mayor within 10 days of the end of each quarter?	YES	YES
	Quarterly report made public?	YES	YES
Comply with statutory reporting requirements	% of reporting requirement met	100%	100%
Ensure that all service providers are accessible for the municipality	Annual update of the supplier list by inviting new suppliers to register completed before end of March?	YES	YES
Ensure that all service providers comply with tax clearance certification	Monthly verification that tax clearance certificates are included with all formal and informal tenders?	YES	YES
Keep the supply chain management policy relevant and up to date	Annual review of SCM Policy completed by end of May?	YES	YES
Properly manage municipal stores and stationary	Annual stock-taking completed by end of June?	YES	YES
Properly manage municipal stores and stationary	Quarterly stock spot checks done?	YES	YES

(c) Employees: Supply Chain Management

Salary Level	Posts	Employees	Vacancies
05 - 10	14	10	4
11 - 14	4	2	3
15 - 18	1	0	1
Total	19	12	8

(d) Financial Performance: Supply Chain Management

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	R 4 437 920	R 3 884 427	R 3 343 854
Repairs and Maintenance	R 6 890	R 6 890	R 970
Other	R 246 800	R 199 460	R 174 968

(e) Comment on the performance of Supply Chain Management overall

Emnambithi/Ladysmith Municipality adopted and implemented a Supply Chain Policy in compliance with the guidelines set down by the SCM Regulations 2005. The Supply Chain Policy has to be reviewed annually, and amended if necessary No councillors are members of any committee handling Supply Chain processes.

3.8.15 MUNICIPAL PROPERTY MAINTENANCE

This is a joint function of the Departments of Infrastructure and Services and Community Services.

3.8.16 COMMUNITY FACILITIES AND HALLS

(a) Introduction

The Department of Community Services is responsible for the administration of the Municipality's property portfolio, such as community halls, Thusong centres and libraries.

(b) Community Facilities and Halls Policy Objectives

Performance Objectives	Key Performance Indicator	Target	Actual	Comments
Compliance Indicators				
Adequately maintain facility infrastructure	Number of community halls maintained	36	36	There are six (6) new halls
Provision of caretakership in all municipal halls	Number of halls with caretakership services	36	07	Most of hall have no caretakers we used job creation
Functional Thusong Centres	Number of functional and maintained Thusong Centres	4	4	

(c) Employees: Community Facilities and Halls

Salary Level	Posts	Employees	Vacancies
05 - 10	21	43	21
11 - 14	01	Nil	01
15 - 18	nil	Nil	Nil
Total	21	22	20

(d) Financial Performance: Community Facilities and Halls

Operational Expenditure Type	Original Budget	Adjustment Budget	Actual
Employees	R473 084	R1 481 574	R1 344 990
Repairs and Maintenance	R 79 000	R80 414	R88 197
Other – General Expenses	R1 046 460	R1 224 446	R1 134 185

(e) Comments on the performance of Town and community halls overall

Cleaning and maintenance of halls is done before and after the booked event, due to the shortage of staff, caretakers have to be transported to other venues for cleaning. Maintenance is being carried out subject to availability of funds.

CHAPTER 4 –ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 INTRODUCTION

Emnambithi/Ladysmith Municipality aims to ensure service delivery of the best possible quality for all the inhabitants of the Municipality. To achieve this, a prime goal of the Municipality's Human Resource Strategy is: To create a flexible organisation that enables optimal performance by developing and retaining a properly skilled and representative workforce. Emnambithi/Ladysmith Municipality considers its human resources as one of its most critical assets. This chapter will focus on some of the key issues relating to human resources and other organizational management issues. Issues which will be addressed includes the staffing rate of the municipality, personnel cost, the status quo of retirement funds and medical aid schemes, human resource policies and practices, as well as the remuneration of senior officials and councillors.

4.2 MUNICIPAL PERSONNEL

(a) Employees

Service Name	Post	Employee	Vacancies
Administration Civil Engineering Services	44	12	32
Administration Corporate Services	68	36	32
Administration Development Services	73	37	36
Administration Electrical Engineering Services	22	14	8
Administration Financial Services	129	101	28
Administration Municipal Manager (Excluding Internal Audit and Risk)	69	32	37
Administration Protection Services	67	53	14
Building Control	23	8	15
Cemeteries	32	4	28
Civil Protection (including Disaster Management/Fire Fighting Services)	27	16	11
Housing and Real Estate	45	23	22
Electricity Distribution	98	55	43
Human Resources	37	21	16
ICT Services	17	4	13
Internal Audit (including Risk Management	15	8	7
Libraries	42	17	25
Licencing and Registration Services	17	14	3
Local Economic Development27	23	16	11
Marketing and Tourism	17	6	11
Occupational Health and Safety	5	0	5
Parks and Recreational Areas	23	17	6
Valuations	10	5	5
Rates Services	16	14	2

Refuse Removal	63	51	12
Secretariat and Archives	50	18	32
Supply Chain Management	25	16	9
Town and Community Halls	73	34	39
Asset and Inventory Management	18	10	8
Traffic and Law Enforcement Services	88	65	23
Legal Services	19	10	9
Credit Control	19	13	6
Expenditure	21	19	2
Mayoral Services	126	31	95
Performance Management Systems	11	5	6
Intergovernmental Relations	1	1	0
Roads and Storm water System	118	48	70
Project Management Services	36	13	23

(b) Vacancy rate

Designation	Approved Post	Vacancies	Vacancy Percentage
Municipal Manager	1	0	100%
Chief Financial Officer	1	0	100%
Other section 56 Managers	4	1	80%
Traffic Officers	4	0	100%
Fire Fighters	0	0	
Senior Management: Task Grade 16 – 18	2	0	100%
Middle Management: Task Grade 12 -15	5	1	80%
Technicians (Electricity and Engineering)	0	0	

(c) Turn-over Rate

Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-Over Rate (%)
85	41	48.2

(d) Comment on municipal personnel

Based on the exit interview reports, the majority of staff leave the services of the Council for promotional reasons and at times because of better salary packages. The filling of the vacant position for section 56 Manager was unsuccessful due to not finding a suitably qualified candidate as well as salary package attached to the position.

4.3 MANAGING THE MUNICIPAL WORKFORCE

4.3.1 HR POLICIES AND PLANS

(a) HR policies and plans as on 30 June 2015

Name Of Policy	Policy Status	Date of Adoption
Acting Allowance	Adopted	30/04/2015
Code of Conduct for employees	Adopted	26/06/2014
Employee Assistance /Wellness	Adopted	31/10/2013
Employment Equity	Adopted	05/02/2015
Leave	Adopted	30/03/2015
Occupational Health and Safety	Adopted	31/10/2013
Overtime and standby Policy	Adopted	24/01/2015
Recruitment, Selection and Appointments	Adopted	23/04/2014
Sexual Harassment	Adopted	29/08/2013
Capacity Building	Adopted	25/06/2015

(b) Comment on HR policies and plans

Policies are reviewed on an annual basis and submitted to Council for approval. Workshopping of staff must be conducted on all Human Resource Policies and also we are in the process of translating all our policies into three (3) official languages, which is IsiZulu, English and Afrikaans.

4.3.2 INJURIES, SICKNESS AND SUSPENSIONS

(a) Number of injuries on duty

Type Of Injury	Number
Fatal	00
Temporary disablement	00
Required basic medical attention only	00
Permanent disablement	00
Total	**00**

(b) Number of days and cost of sick leave (excluding injuries on duty)

Salary Grade	Total Days Sick Leave
Permanent Staff (Levels 03 - 18)	2105
MM and S56	12

(c) Comment on injury and sick leave

Injury rate is very low of which safety of employees is one of the key objective of the Municipality in line with the Occupational and Safety Act. Sick leave is administered by Human Resource section in line with the Conditions of Services applicable to local government employees and Leave policy adopted by Council.

(d) Comment on suspensions and cases of financial misconduct

Suspension are executed by Human Resources Manager depending on the severity of the case and Municipal Manager's recommendations.

4.3.3 PERFORMANCE REWARDS

Performance bonuses are only paid to the deserving section 54/56 managers who were assessed by the Performance Evaluation Committee established by the Council.

The following Managers are subjected to performance rewards:

No.	Managers
1	Municipal Manager
2	Executive Manager: Development Planning & Human Settlements
3	Executive Manager: Finance (CFO)
4	Executive Manager: Corporate Services
5	Executive Manager: Community Services
6	Executive Manager: Infrastructure and Services

4.4 CAPACITATING THE MUNICIPAL WORKFORCE

4.4.1 INTRODUCTION

MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Emnambithi/Ladysmith Municipality recognizes the obligations placed on it by the Skills Development Act to train and develop employees. In order to empower its employees and enhance its human capital, the Municipality provides various learning and development opportunities for employees and councillors. The Workplace Skills Plan of the Municipality has been submitted to the Local Government SETA and annual implementation reports submitted. During 2014/2015 R1 049 603.45 was spent capacity building programmes for existing staff.

4.4.2 SKILLS DEVELOPMENT AND TRAINING

(a) Annual Training Report: Number of employees trained

Type of Training Offered	No. of Employees	Amount Spent
MFM and A	12	169 000.00
MFMP Continuation Class	10	80 000.00
MFMP	26	585 000.00
Report writing and minutes taking	45	90 000.00
Project Management	50	250 000.00
Bids Training	37	98 250.00
Presiding Officer Training	40	164 160.00
VIP Protection for Bodyguards	12	163 663.66

(b) Comments on skills development and related expenditure

The Training programme covers Councillors as well as permanent employees. Councillors and employees have a right to utilize funding provided to study with institutions of higher learning in line with Capacity Building Policy adopted by Council subject to approval by the Accounting Officer. Other Council training is provided through the support of SALGA.

4.5 MANAGING THE WORKFORCE EXPENDITURE

4.5.1 INTRODUCTION

Workforce expenditure is managed effectively, through regular budget control meetings to discuss expenditure and rectify any overspending. No appointments are made unless the posts are funded and vacant on the post establishment. In order to obtain value for money from work force expenditure, the mandate for appointment is to appoint the candidate on the minimum notch of the scale unless motivation exists for appointment on a higher notch.

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

Workforce management is a core function of each line manager in Emnambithi/Ladysmith Municipality. In order to ensure reasonable standardisation and consistency in the handling of the workforce, staff policies; procedures; and conditions of service are developed at a central level and are then implemented by line management.

Conditions of service of section 54/56 managers are based up on the regulations promulgated by the Minister of Cooperative Governance and approved by Council.

Conditions of service of staff below senior management level are negotiated at a central level by the National and Provincial divisions of the South African Local Government Bargaining Council (SALGBC) and, where relevant, at a local level between management and the representative unions SAMWU and IMATU.

4.5.2 EMPLOYEE EXPENDITURE

Section Managers are required to ensure that employees are productive. The implementation of the Induction Performance Management System will assist with this.

(a) Workforce Expenditure

Financial Year	% of Expenditure
2012/2013	25%
2013/2014	28%
2014/2015	29%

(b) Disclosures: Remuneration of Councillors

Councillor	Total Costs
	2014/2015
Mayor	R768 078
Deputy Mayor	R618 641
Speaker	R618 956
Chief Whip	R580 392
Executive Committee Member	R2 302 533
Ordinary Councillor	R10 648 851
UIF & SDL	-
Total	R15 537 461

(c) Remuneration for Section 56 Managers- Total Cost to Employer

Manager	Total Costs
	2014/2015
Executive Manager: Corporate Services	R975 484
Executive Manager: Development Planning & Human Settlements	R1 166 811
Executive Manager: Community Services	R1 096 159
Executive Manager: Infrastructure and Services	R901 531
Total	R4 139 985

(d) Remuneration of the Municipal Manager

	2013/2014	2014/2015
Annual Remuneration	R 1 100 825	R 1 371 481
Car Allowance		
Performance Bonuses	R 77 276	R 99 074
UIF		
Total	R 1 178 101	R 1 470 555

(e) Remuneration of the Chief Financial Officer- Total Cost to Employer

	2013/2014	2014/2015
Annual Remuneration	R 479 601	R 902 146
Leave Encashment	00	R00
Car Allowance	R 375 875	R 19 476
Subsistence & Travel Reimbursement	00	R 40 712
Housing and Other Allowance	R 142 498	R 8 440
Total	R 1 022 163	R970 774

CHAPTER 5 – FINANCIAL PERFORMANCE

5.1 INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

The municipality is being subjected to extreme external cost pressures which include the effect of the tariff increases of Eskom, labour collective agreements which results in expenditure increases well above the normal inflation rate, the increased cost of fuel due to the declining currency and higher oil prices etc. The municipality is well aware of the effect of the global economic slowdown and the effect it have on the ability of the consumers to pay for services. The municipality therefore embarked on cost saving measures in its budgeting- and actual processes wherever possible.

GRAP compliance

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications. The Accounting Standards Board annually issues a directive (Directive 5) indicating the relevant accounting standards which municipalities must comply with. The municipality implemented all the required standards and were able to obtain an unqualified audit report with no other matters in 2013/2014, otherwise known as a "clean audit". The municipality did not deviate from any of the standards.

The paragraphs below reflects a high level summary of the financial results for the financial year.

5.2 STATEMENTS OF FINANCIAL PERFORMANCE

5.2.1 INTRODUCTION

5.2.2 STATEMENTS OF FINANCIAL PERFORMANCE

(a) Financial Summary

Description	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjustment Budget Variance
1 Financial Performance						
1a Total Revenue (excluding capital transfers and	525 855	613 922	586 600	557 044	-56 878	-29 556

contributions)						
a Property rates	128 032	139 992	142 135	134 160	-5 832	-7 975
b Service charges	244 809	272 016	268 789	264 021	-7 995	-4 768
c Investment revenue	0	0	7 000	7 723	7 000	723
d Transfers recognised - operational	112 641	127 126	130 840	127 234	108	-3 606
e Other own revenue	40 372	74 788	37 835	23 906	-50 882	-13 929
1b Total Expenditure	570 163	633 876	621 942	488 750	-145 126	-133 192
a Employee costs	159 571	173 280	179 435	160 933	-12 347	-18 502
b Remuneration of councillors	14 509	17 923	15 751	15 537	-2 386	-213
c Depreciation and asset management	57 204	77 269	66 181	45 343	-31 926	-20 838
d Finance charges	469	483	483	441	-42	-42
e Materials and bulk purchases	149 065	164 306	165 625	141 591	-22 715	-24 033
f Transfers and grants	17 307	18 586	15 089	15 687	-2 899	598
g Other expenditure	172 039	182 029	179 378	109 217	-72 812	-70 162
1c Capital transfers and contributions	62 991	58 150	101 999	27	-58 123	-101 972
a Transfers recognised - capital	62 991	58 150	101 999	27	-58 123	-101 972
b Contributions recognised - capital and contributed assets	0	0	0	0	0	0
Surplus Deficit for the year	18 682	38 196	66 656	68 320	30 124	1 664
2 Capital expenditure & funds sources						
Total sources of capital funds	0	111 799	157 923	121 219	9 420	-36 704
a Transfers recognised - capital	0	58 150	101 999	87 834	29 684	58 759
b Public contributions and donations	0	0	0	0	0	0
c Borrowing	0	0	0	0	0	0
d Internally generated funds	0	53 649	55 924	33 385	-20 264	6 561
3 Financial position						
a Total current assets	235 637	181 970	0	193 182		
b Total non-current assets	931 219	1 036 167	0	28 764		
c Total current liabilities	155 034	111 027	0	23 584		
d Total non-current liabilities	34 062	43 042	0	228		
4 Cash Flows						
a Net cash from (used) operating	514 573	86 243	86 243	146 985	-60 742	-66 395
b Net cash from (used) investing	0	-111 799	-157 923	-69 559	88 364	40 489

c Net cash from (used) financing	0	702	-1 350	180 624	-179 922	-180 624
d Cash/Cash Equivalents at the year end	635 719	65 474	17 298	352 849	-287 375	-211 001
5 Cash backing/surplus reconciliation						
a Cash and investments available		65 473	65 473			
b Application of cash and investments		56 262	53 887			
c Balance - Surplus (Shortfall)		9 211	11 586			
6 Asset Management						
a Asset register summary (WDV)		11 300	53 649			
b Depreciation & asset impairment	57 323	77 269	66 181	52 643		
c Renewal of existing assets	0	7 500	31 346	31 346		
d Repairs and maintenance	0	0	0	322 226		

(b) Financial Performance of Operational Services

Description	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjustment Budget Variance
Revenue - Standard						
Governance and Administration	**221 876**	**253 385**	**242 664**	**230 245**	**(23 139)**	**(12 418)**
Executive & Council	88 057	246 756	94 732	93 048	(153 708)	(1 684)
Budget & Treasury Office	132 348	4 266	145 512	134 863	130 597	(10 649)
Corporate Services	1 472	2 363	2 420	2 334	(29)	(86)
Community and Public Safety	**21 080**	**27 273**	**33 963**	**9 903**	**(17 370)**	**(24 059)**
Community & Social Services	5 557	4 723	4 400	4 323	(401)	(78)
Sport And Recreation						-
Public Safety	14 829	9 791	9 358	5 142	(4 650)	(4 216)
Housing	694	2 532	2 275	412	(2 120)	(1 863)
Health		10 227	17 930	27	(10 200)	(17 902)
Economic and Environmental Services	**48 257**	**51 590**	**89 673**	**12 577**	**(39 012)**	**(77 096)**
Planning and Development	337	290	328	422	132	94
Road Transport	47 919	49 420	88 103	11 132	(38 288)	(76 971)
Environmental Protection		1 879	1 243	1 024	(856)	(219)
Trading Services	**297 633**	**339 504**	**322 135**	**304 470**	**(35 034)**	**(17 666)**
Electricity	242 468	287 251	278 141	263 080	(24 171)	(15 061)
Waste Management	55 164	52 253	43 994	41 389	(23 139)	(2 605)
Other	-	**321**	**164**	**197**	**(153 708)**	**33**
Total Revenue - Standard	**555 845**	**672 072**	**688 599**	**557 392**	**(114 680)**	**(131 206)**
Expenditure - Standard						
Governance and Administration	**124 189**	**158 824**	**137 136**	**87 366**	**(71 459)**	**(49 770)**
Executive & Council	96 138	116 965	102 265	67 515	(49 451)	(34 750)
Budget & Treasury Office	13 585	21 678	18 281	10 496	(11 182)	(7 785)
Corporate Services	14 466	20 181	16 590	9 355	(10 826)	(7 235)
Community and Public Safety	**99 600**	**68 320**	**69 645**	**48 902**	**(19 418)**	**(20 743)**

Community & Social Services	54 294	14 413	15 078	11 160	(3 253)	(3 918)
Sport And Recreation						-
Public Safety	34 010	37 955	34 783	32 054	(5 901)	(2 729)
Housing	11 296	13 060	10 290	7 008	(6 052)	(3 282)
Health		2 892	9 494	(1 320)	(4 212)	(10 814)
Economic and Environmental Services	**90 950**	**120 549**	**137 758**	**69 599**	**(50 950)**	**(68 159)**
Planning and Development	13 001	22 382	23 429	18 358	(4 024)	(5 072)
Road Transport	77 949	65 113	81 336	31 469	(33 644)	(49 867)
Environmental Protection	0	33 055	32 994	19 773	(13 282)	(13 220)
Trading Services	**255 424**	**272 154**	**272 626**	**242 267**	**(29 887)**	**(30 359)**
Electricity	216 248	230 848	235 547	208 208	(22 641)	(27 339)
Waste Management	39 176	41 306	37 079	34 059	(7 247)	(3 020)
Other		13 815	4 777	4 325	(9 490)	(452)
Total Expenditure - Standard	**570 163**	**633 662**	**621 942**	**452 459**	**(181 203)**	**(169 483)**
Surplus/(Deficit) for the year	**18 682**	**38 410**	**66 656**	**104 934**	**66 524**	**38 277**

(b) Comments on financial performance

Total operating expenditure amounted to R564 396 595 and 92% of the budget was spent.

Total operating revenue amounted to R688 170 236 and 99% of the budget was received.

5.2.3 GRANTS

(a) Grants received from DoRA

Description	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjustment Budget Variance
National Government						
Integrated National Electrification Programme	R0	R7 000 000	R7 000 000	R7 000 000	R0	R0
Equitable Share Grant	R111 249 000	R118 419 000	R118 419 000	R118 419 000	R0	R0
Expanded Public Works Programme Grant	R2 729 000	R4 032 000	R4 032 000	R4 032 000	R0	R0
Local Government Financial Management Grant	R1 550 000	R1 600 000	R1 600 000	R1 600 000	R0	R0
Municipal Infrastructure Grant (MIG)	R36 025 000	R40 950 000	R40 950 000	R40 950 000	R0	R0
Municipal Systems Improvement Grant	R890 000	R934 000	R934 000	R934 000	R0	R0
Neighbourhood Development Grant	R12 843 000	R10 200 000	R17 903 000	R17 903 000	R0	R0
Small Town Rehabilitation Grant	R4 000 000	R0	R0	R0	R0	R0

Corridor Development Grant	R5 200 000	R0	R0	R0	R0	R0
Municipal Disaster Recovery Grant	R0	R0	R31 346 000	R31 346 000	R0	R0
Total Provincial Government	R174 486 000	R183 135 000	R222 184 000	R222 184 000	R0	R0
Operational Cost Accredited Municipality	R673 000	R1 856 000	R1 856 000	R1 856 000	R0	R0
Museum Subsidies	R284 000	R299 000	R151 000	R151 000	R0	R0
Library Service: Conditional Grant	R3 451 000	R3 698 000	R3 698 000	R3 698 000	R0	R0
Total	R4 408 000	R5 853 000	R5 705 000	R5 705 000	R0	R0

(b) Comments on operating transfers and grants received from DoRA

Overall the grants as budgeted for were realised and were fully spent except for the Disaster Recovery Grant which was underspent by R122 000 and the Corridor Development Grant was underspent by R4.6 million.

5.2.4 ASSET MANAGEMENT

(a) Introduction

Assets under the control of each department are being managed by the relevant departmental heads. The Chief Financial Officer is responsible for maintaining an asset register for all assets which qualify to be capitalised.

Asset management is guided by the Asset Management Policy of the municipality. The policy is reviewed on an annual basis as part of the budget policies review process to ensure it complies with the latest requirements of GRAP, audit- and treasury directives.

The asset register which integrates with the financial system and which provide much more up to date information was implemented during the financial year under review

(b) Comments on asset management

The municipality designed and implemented a system whereby each capital project is measured according to the requirements of the MFMA. The Council only approves projects where the full cost of the project, the future operating costs of the project as well as the effect that the costs associated with the project will have on tax and tariffs were considered by the Council. All Council projects that are approved are as aligned with the municipality IDP. The projects are either grant funded or council funded. Capital budget is used for creation of new assets and operational budget is used for the repairs and maintenance of all capital assets. All assets that have reached the end of their useful lives or either experienced major break-downs are either impaired or written-off from the Council's fixed asset register.

(c) Comments on repair and maintenance expenditure

Expenditure on repairs and maintenance does not keep track with the increase in asset values as well as the ageing of the infrastructure.

The Medium Term Revenue and Expenditure Framework (MTREF) further indicates an increase in the amounts spend on repairs and maintenance as a percentage of total operating expenditure. A portion of repairs and maintenance is included in the capital budget.

5.2.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Financial viability ratio's	Norm	Criteria	2013/2014	2014/2015
Outstanding service debtors to revenue	%	The lower the actual the better the result	1:0,50	1:0,50
Cost coverage		Higher than 1-3 months is better	1:6,05	1:6,05
Debt coverage	%	The lower the actual the better the result	1:1796	1:1796

5.3 SPENDING AGAINST CAPITAL BUDGET

5.3.1 INTRODUCTION

Capital expenditures relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and cash surpluses.

The municipality spent 89% of the approved budget on capital projects. The largest projects were the:

LINK ROAD - ACACIAVALE TO EZAKHENI	R 10 200 000
TARRED ROADS 2, 6 & 8 (2KM'S EACH)	R27 000 000
TARRED ROADS - NTOMBI'S CAMP (WARD 20)	R10 000 000
WIDENING OF A SINGLE LANE BRIDGE OVER THE RAILWAY LINE: LINK ROAD - ACACIAVALE TO EZAKHENI	R 6 819 030
MIG - TARRED ROADS - AREA J	R10 000 000

5.3.2 CAPITAL EXPENDITURE

The table below indicates the capital expenditure against the total budget.

(a) Capital Expenditure - Funding Sources

Description	Previous Year Actual	Original Budget	Adjustment Budget	Actual	Original Budget Variance	Adjustment Budget Variance
MIG		R 40,950,000.00	R 40,950,000.00	R 40,950,000.00	0	0
NDPG		R 10,200,000.00	R 17,903,000.00	R 17,903,000.00	0	0
INEP		R 7,000,000.00	R 7,000,000.00	R 7,000,000.00	0	0

5.4 CASH FLOW MANAGEMENT AND INVESTMENTS

5.4.1 INTRODUCTION

The municipality classified a positive cash balance as critical to its operations and future viability and all planning exercises take the effect of decisions on the cash position of the municipality into consideration.

5.4.2 CASH FLOW

(a) Cash Flow Outcomes

Description	Previous Year Actual	Actual
1a Receipts		
a Ratepayers and other	351 502 353	366 672 583
b Grants	172 609 901	214 514 444
c Government - capital		
d Interest	6 179 915	8 398 564
e Other	32 823 591	30 125 468
a Suppliers and employees	396 258 364	461 534 429
b Finance charges	469 241	463 531
c Other Payments	7 904 928	3 670 033
2a Receipts		
a Proceeds on disposal of PPE	-118 690 600	-151 555 264
b Purchase of investment property	-3 195 000	0
c Purchase of Intangible assets	0	-46 617
d Proceeds on sale of assets	3 212 968	1 998 421

5.4.3 BORROWING AND INVESTMENTS

(a) Actual Borrowings

Instrument	Amount
Financial Leases	5 465
Instalment Credit	0
Long-Term Loans (annuity/reducing balance)	4 710 437
Long-Term Loans (non-annuity)	0
Other	0
Total	4 715 902

(b) Municipal Investments

Investment Type	2013/2014	2014/2015
Bankers' Acceptance Certificates	0	0
Deposits - Bank	81 677 144	143 338 377
Deposits - Corporation for Public Deposits	0	0
Deposits - Public Investment Commissioners	0	0

Other	26 346 179	38 675 930
Total	108 023 323	182 014 307

5.4.4 PUBLIC PRIVATE PARTNERSHIPS

Not Applicable

ANNUAL FINANCIAL STATEMENTS- Attached as *Annexure "B"*

CHAPTER 6 –AUDITOR GENERAL AUDIT FINDINGS

6.1 INTRODUCTION

The Constitution section 188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. The responsibility of the Auditor-General is to perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement and to express an opinion based on the audit conducted in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing.

The Municipal System Act section 45 states that the results of performance measurement must be audited annually by the Auditor-General. The reported performance against predetermined objectives is evaluated against the overall criteria of usefulness and reliability. The usefulness of information relates to whether the reported performance is consistent with the planned development priorities or objectives and if indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information.

The annual financial statements of the municipality are submitted to the Auditor-General in accordance with the MFMA section 122(1)(2) on the 31st August 20115 and the final audit report from Auditor-General will be received after completion of all audit processes in accordance with the MFMA section 126(3)(b).

6.2 AUDITOR-GENERAL OPINION (CURRENT YEAR)

*See attached report as an **Annexure "E"***

6.2.1 AUDITOR GENERAL REPORTS

*See attached report as an **Annexure "E"***

ANNEXURE "A"

ANNUAL PERFORMANCE REPORT (APR)

MUNICIPAL PERFORMANCE REPORT: 2014/2015

NAME OF MUNICIPALITY: EMNAMBITHI/LADYSMITH MUNICIPALITY

FINANCIAL YEAR ENDED: 30 JUNE 2015

FINAL ANNUAL PERFORMANCE REPORT: FINANCIAL YEAR 2014/2015

IDP Indicator Number	National Key Performance Area	Strategy	Objective	Key Performance Indicator	Unit of Measure / Calculation	Details of the Key Performance Indicator	Baseline 2013/2014				2014/2015					Reasons for Variance	Corrective Measure	Analysis of Evidence	Responsible Department	Wards
							Target	Actual	Annual Budget	Budget Spent	Annual Budget	Budget Spent	Land Sale	Annual Target	Progress Achieved					
2014/001	Municipal Transformation and Institutional Development	To ensure that the Municipality has well skilled, competent, reliable and motivated employees and councillors	Implementation of an effective Human Resources Management and Development through Work Skills Plan (WSP)	Number of training and capacity building programmes provided to Municipal staff and Clirs	Number of trainings	Providing 8 training and capacity building programmes to Municipal staff and Councillors	New target	N/A	N/A	N/A	R 1 300 000.00	R 1 049 603.45	1105.32215	8	11	N/A	N/A	Training Programmes and attendance registers	Corporate Services	N/A
2014/002				Percentage of a municipality's budget actually spent on implementing its work skills plan	Percentage	Spending 100% of a municipality's budget on implementing its work skills plan	New Target	N/A	N/A	N/A	R 1 300 000.00	R 1 049 603.45	1105.32215	100%	81%	Although trainings was made, a total number of 11 training programmes were conducted compared to our target of 8. training programmes that was achieved for the 2014/2015 financial year. SALGA conducted training free of charge that also resulted in a savings in our capacity building budget in the municipality.	During the assessment of training needs for staff and Councillors, proper planning will be conducted to ensure that trainings provided at no cost to Council be considered and the budget allocation be adjusted accordingly	Training Programmes and attendance registers	Corporate Services	N/A
2014/003				To review Employment Equity Plan	Date of reviewal	Reviewal of the Employment Equity Plan by the 30th June 2015	New Target	N/A	N/A	N/A	N/A	N/A	N/A	Review of Employment Equity Plan by the 30th June 2015	Employment Equity Plan Adopted on 05/02/2015	N/A	N/A	Proof of submission	Corporate Services	N/A
2014/004			Implementation of an effective Human Resources Management and Development through Work Skills Plan (WSP)	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the approved employment equity plan	Number of people	Ensuring that 8 people are employed from employment equity target groups in the three highest levels of management in compliance with the approved employment equity plan	New Target	N/A	N/A	N/A	N/A	N/A	N/A	8	6	1. Could not attract a suitable qualified candidate with both GOC Certificate (Electrical and Civil Engineering qualification). 2. The post of Chief Operations Officer (COO) became vacant in May 2015	1. Council has resolved to separate the the position of Executive Manager Infrastructure and Services into two Department and be Executive Manager Public Works and Basic Services and Electrical Engineering Services of which it is already been advertised. 2. The position of the Chief Operations Officer (COO) will be filled the 2015/2016 financial year	Council Resolutions	Corporate Service	N/A
2014/005			Mass Skilling Development Programme	To recruit 27 post graduates and matrics for mass skilling	Number of beneficiaries	Recruitment of 27 post graduates and matric beneficiaries for mass skilling	24	27 Beneficiaries	R 1 000 000	R 1 127 411.60	R 1 174 000.00	R 818 805.78	1101.32654	27	27	N/A	N/A	List of beneficiaries	Corporate Services	N/A
2014/006		Provision of Legal Support Services	Ensuring Legal Support Services	To review 4 Municipal bylaws	Number of Bylaws	Reviewal of 4 Municipal bylaws	New target	N/A	N/A	N/A	N/A	N/A	N/A	4	3	Delays for non- submission to Council was due to staff on sick/ maternity leave and resignations	The Executive Manager Corporate Services to address the staffing challenges at Legal Section during the 2015/2016 financial year. The Manager: Legal Services is back from sick/ maternity leave.	Reports to portfolio committees	Corporate Services	N/A
2014/007		Compliance with Road Traffic Act	Management of Traffic signs and street names	To repair Street names and road signs	Percentage of street names and traffic signs	Repair 100% of Street names and road signs identified	New target	N/A	N/A	N/A	R 201 520.00	R 133 835.97	1140 13366 1140 13353	100%	100%	N/A	N/A	Reports to portfolio committees	Community Services	N/A
2014/008			To ensure Law enforcement with road traffic act	To conduct planned special duty road blocks	Number of special duty road blocks	Conducting 12 planned special duty road blocks	New target	N/A	N/A	N/A	N/A	N/A	N/A	12	27	N/A	N/A	Reports to portfolio committees	Community Services	11, 12 & 22
2014/009		Simplified Infe grated Development Plan	IDP: Focusing on planning for the delivery of 10 c tical municipal services	To review the 2015/2016 IDP and submit to Council for adoption	Date of reviewal	Reviewal of the 2015/2016 IDP and submission to Council for adoption by 30 June 2015	New target	N/A	N/A	N/A	N/A	N/A	N/A	Reviewal of Infe grated Development Plan by the 30th June 2015	2015/2016 IDP adopted on the 25th June 2015	N/A	N/A	Council Resolutions	Development Planning and Human Settlements	All
2014/010	Local Economic Development	LED Programmes implemented and Supported	Implementation Local Economic Development	Number of jobs created through the municipality's local economic development initiatives including capital projects	Number of jobs created	Creation of 240 jobs through the municipality's local economic development initiatives including capital projects	New target	N/A	N/A	N/A	R 831 800.00	R 721 924.11	1170 52293 1170 52564	240	304	N/A	N/A	List of membership with the SMME's	Development Planning & Human Settlements	All
2014/011			Promoting LED Programmes	Number of established SMME's supported	Number of established SMME's supported	Supporting of 80 established SMME's	New target	N/A	N/A	N/A	R 831 800.00	R 721 924.11	1170 52293 1170 52564	80	122	N/A	N/A	Reports to Portfolio Committee	Development Planning & Human Settlements	All
2014/012			Facilitate the development of arts and culture and presentation of heritage	Development and implementation of cultural events planned	Number of Events	Implementation of 12 planned cultural events	New target	N/A	N/A	N/A	R 170 000.00	R 163 360.59	1170 12543	12	33	N/A	N/A	Reports to Portfolio Committee	Development Planning & Human Settlements	All
2014/013	Good Governance, Ward Committees and Public Participation	Ensuring Good Governance	Provision of support on Council Structures	Co-ordination of functional Exco and Council	Number of Meetings	Co-ordination and convening of 24 Exco and Council meetings	New target	N/A	N/A	N/A	N/A	N/A	N/A	24	30	5 meeting per month in respect of EXCO and Council meetings are the target - the reason for the variance is that more than one meeting on certain months were held in respect of Executive Committee Meetings The Target was achieved	N/A	Agendas and Minutes	Corporate Services	Nil
2014/014			Provision of Library Services	Encouraging registration of new Membership in all libraries	Number of new members	Registration of 800 new Members in all libraries	New target	N/A	N/A	N/A	R 80 000.00	R 61 561.60	1133 2570	800	1309	N/A	N/A	Reports to Portfolio Committee	Community Services	All
2014/015				To conduct outreached programmes	Number of programmes	Conducting of 8 Outreach programmes	New target	N/A	N/A	N/A	R 35 000.00	R 24 876.84	1133 2565	8	22	N/A	N/A	Reports to Portfolio Committee	Community Services	All
2014/016		To keep Environmental subjects Green	Planting and maintaining open spaces parks, gardens and cemeteries	To Implement a Greening Project Plan	Number of trees planted	Implementing a Greening Project Plan by planting 200 trees	New target	N/A	N/A	N/A	R 40 000.00	R 29 400.00	1133 12511	200	300	N/A	N/A	Reports to Portfolio Committee	Community Services	All
2014/017		Community Involvement	Improving Community Involvement	Involvement of Ward Committees in setting and reviewal of key performance targets	Number of meetings	Ensuring 2 Ward Committee meetings are held in setting and reviewing key performance targets	New target	N/A	N/A	N/A	N/A	N/A	N/A	2	2	N/A	N/A	Attendance Registers and Minutes	WM's Office	All
2014/018	Spatial and Environmental Management	Land use Management	Improving Land Use Management	To submit an urban plan	Date of submission	Submission of an urban plan to Council by 30 June 2015	New target	N/A	N/A	N/A	N/A	N/A	N/A	Submission of final urban plan to Council by the 30th June 2015	Not Achieved-Urban plan submitted to the Executive Manager 29 June 2015	The scheme could not be adopted by Council as development application from COGTA could not all be retrieved and according to legislation no new scheme can be approved without taking into account existing rights that property owners have. The Subdivision of Agricultural Land Act does not allow for a scheme over agricultural land.	More time and resources to be dedicated to retrieving development applications from COGTA. A rural policy to be imposed over land governed by the Subdivision of Agricultural Land Act.	Minutes of meetings with the Executive Manager DPHS	Development Planning and Human Settlements	1,2,3,4,5,6, 11,12,13,20 22,2,10,8 27,25
2014/019				To submit a rural plan	Date of submission	Submission of a rural plan to Council by 30 June 2015	New target	N/A	N/A	N/A	Grand Funding (Department of Rural Development and Land Reform manages the funds)	Grand Funding (Department of Rural Development and Land Reform manages the funds)	Grand Funding (Department of Rural Development and Land Reform manages the funds)	Submission of final rural plan to Council by the 30th June 2015	Not Achieved-Rural plan submitted to the Executive Manager 29 June 2015	The scheme could not adopted by Council as development application from COGTA could not all be retrieved and according to legislation no new scheme can be approved without taking into account existing rights that property owners have. The Subdivision of Agricultural Land Act does not allow for a scheme over agricultural land.	More time and resources to be dedicated to retrieving development applications from COGTA. A rural policy to be imposed over land governed by the Subdivision of Agricultural Land Act.	Minutes of meetings with the Executive Manager DPHS	Development Planning and Human Settlements	24,26,14,23 15,16,17,1 8,19
2014/020			Achieve Spatial Equity by promoting Spatial concentration and co-ordination development condition	Compilation of an Area Development Plans (Steadville LAP)	Date of completion	Compilation of an Area Development Plans (Steadville LAP) by June 2015	Development of the (Steadville LAP) Plan	Target not fully achieved	R 2 000 000.00	R 2 121 154.51	N/A	N/A	N/A	Completion of LAP Strategy by the 30th June 2015	Achieved-LAP Strategy completed and submitted to Council 28 May 2015	N/A	N/A	Minutes of meetings with the Executive Manager DPHS, Council Resolution	Development Planning and Human Settlements	21
2014/021				To develop sector plans Indoor Sports Complex Corridor	Date of development	Development of the Sector plans for Indoor Sports Complex Corridor by 30 June 2015	Development of the (Indoor Sport Complex corridor) Plans	Target not fully achieved	R 2 000 000.00	R 2 121 154.51	N/A	N/A	N/A	Development of Indoor Sport Complex Corridor sector plan by the 30th June 2015	Achieved-Indoor Sport Complex Corridor sector plan developed and submitted to the Executive Manager on the 29th of June 2015	N/A	N/A	Minutes of meetings with the Executive Manager DPHS	Development Planning and Human Settlements	11

2014/022				Adoption of social facility standards	Date of adoption	Adoption of Social Facility standards by 30 June 2015	New target	N/A	N/A	N/A	N/A	N/A	N/A	Adoption of social facility standards by the 30th June 2015	Achieved- Social facility standards submitted to Council 28 May 2015	N/A	N/A	Minutes of meetings with Executive Manager DPHS, Council Resolution	Development Planning and Human Settlements	All wards
2014/023				To review an Indigent Register for the municipality	Date of reviewed	Reviewal of an Indigent Register on an annual basis by 30 June 2015	New target	N/A	N/A	N/A	N/A	N/A	N/A	Reviewal of the Indigent Register by the 30th of June 2015	Achieved- Reviewal of Indigent Register by the 30th of June 2015	N/A	N/A	Indigent Register	Finance	n/a
2014/024				Percentage of household with access to basic electricity	Percentage of household with access to electricity	Ensuring that 100% households have access to basic electricity	5000 Households	7459 Households	R 1 185 400	R 1 898 468.73	R 2 332 000.00	R 2 321 657.47	1150124/34	100%	100%	N/A	N/A	Reports to portfolio: EAMRAS Print Outs	Infrastructure and Services	All
2014/025		Free Basic Services	Improved access to Free Basic Services	Percentage of household with access to basic sanitation	Percentage of household with access to solid waste removal	Ensuring that 100% of households have access to basic solid waste	New target	N/A	N/A	N/A	R 6 000 000	R 5 340 654.05	1132/02/433	100%	100%	N/A	N/A	Reports to portfolio	Community Services	All
2014/026				Number of households earning less than 2X pensionable allowances (R13500x2) R1 800 per month with access to free basic services	No. of households	Ensuring that the 16000 households receive access to free basic services	New target	N/A	N/A	N/A	R 13 782 000.00	R 13 793 508.84	1132/02/433 1100/32/146 1150124/34	16 000	16 741	Indigency decreased due to threshold decreased from R 110 000 to R80 000	Facilitation To get be in line with the Indigency threshold	Reports to Portfolio Committee	Finance	n/a
2014/027		Security Services	Access to Security and public safety Management	To respond to all reported emergency calls relating to fire and other natural disasters	Percentage of disasters reported and attended to	Ensuring 100% of disasters reported are attended to within 15 minutes	New target	N/A	N/A	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	Reports to Portfolio Committee	Community Services	All
2014/028		Municipal Fleet Management	Ensuring that Municipal Fleet is maintained	Ensure that the workshop is fully operational	Percentage of vehicles reported and attended to	Ensuring 100% of vehicles reported are attended to: 30 days for repairs to light motor vehicles 60 days for heavy motor vehicles 90 days for heavy plant	New target	N/A	N/A	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	Reports to Portfolio Committee	Community Services	n/a
2014/029		Refuse Collection	To provide refuse removal to consumers	To ensure that consumers have access to refuse removal at least once per week	Number of households with access to refuse removal on a weekly basis	Ensuring that all the 46 221 households receive access to weekly refuse removal	36 626	46415	R 17 158 829	R 17 022 637.23	R 18 048 397.00	R 18 373 626.89	1132/00/301	46221	46674	N/A	N/A	Reports to Portfolio Committee	Community Services	All
2014/030		Municipal Parks, Gardens and Open Spaces	Maintenance of Municipal Parks, Gardening, Open Spaces and Entrances	To ensure that Viwingi, Ezakheni, Colenso and Kilpbank parks are properly maintained	Number of parks maintained	Ensuring that 4 parks (Viwingi, Ezakheni, Colenso and Kilpbank) are properly maintained as per the maintenance plan.	New target	N/A	N/A	N/A	R 30 000.00	R 18 217.13	1133/13/306	4	4	N/A	N/A	Reports to Portfolio Committee	Community Services	21,26,4,6,8
2014/031				Maintenance of swimming pools	Number of swimming pools maintained	Ensuring that 5 swimming pools (Town, St Chads, Colenso, Agra and Limit Hill) are properly maintained as per the maintenance plan	New target	N/A	N/A	N/A	R 290 690.00	R 297 715.62	1133/12/308	5	5	N/A	N/A	Reports to Portfolio Committee	Community Services	27,25
2014/032		Human Settlements	Provision of descent and adequate houses to the disaster beneficiaries	Number of units to be repaired within the storm damaged housing project	Number of units	Ensuring that 360 units are repaired within the storm damaged housing project	New target	N/A	N/A	N/A	Funded by DoHS	Funded by DoHS	Funded by DoHS	360	454	N/A	N/A	OE Forms	Development Planning and Human Settlements	9, 10, 20, 31, 22 & 25
2014/033				Number of units to be constructed within rectification project	Number of units	Ensuring that 345 units are constructed within the rectification housing project	New target	N/A	N/A	N/A	Funded by DoHS	Funded by DoHS	Funded by DoHS	345	79	Work advised that the funding available is inadequate and require realignment of the project.	Applied for additional funding	Happy letters	Development Planning and Human Settlements	1, 2, 3 & 25
2014/034		Grants and Capital Funded Projects	Provision of Grant Funded and Capital Projects	Construction of Blue Bank Sportsfield	Date of Completion	Construction of One (1) Blue Bank Sportsfield by the 30 June 2015, comprising of the following: 2x Ablution facilities (male and female), 1x change room,1x Combi Court, Consisting of soccer field, Irrigation System, specialised fencing.	New project	N/A	N/A	N/A	R 3 000 000.00	R 2 975 915.50	3700/30661	Completion of construction of Blue Bank Sportsfield by the 30th June 2015	Not achieved- Construction of One(1) Blue Bank Sportsfield not achieved by 30 June 2015, however the 2x ablution facilities, 1x combo court, irrigation system are complete. The fencing and grassing is close to completion.	The contractor encountered challenges in obtaining and planting grass during the winter season and the small portion of the specialised fencing has to be obtained from Cape Town.	Projects of this nature should be implemented during summer months. Close local manufacturers to date in Fencing to reduce lead times.	Copy of bid documents, letter of appointment, site hand over minutes & Practical completion certificate	Infrastructure and Services	26
2014/035				Upgrade of existing sportsfield to include seating stand and flood lights Mathwane	Date of Completion	Upgrading of One (1) existing sportsfield in Mathwane, consisting of seating stands,floodlights, irrigation system and laying of 3mm slurry to Combi court to be completed by the 30 June 2015.	One (1) Sportsfield to be constructed	One (1) Sportsfield constructed	R 3 000 000.00	R 2 208 843.67	R 3 000 000.00	R 2 511 323.73	3700/30771	Completion of upgrading of existing Mathwane Sportsfield by the 30th June 2015	Achieved-Upgrading of One (1) existing Mathwane Sportsfield consisting of seating stands, floodlights, irrigation system and laying of 3mm slurry to Combi court has been achieved by the 30 June 2015	N/A	N/A	Correspondence to ESKOM, physical copy of the architectural drawing, letter of appointment and practical completion certificate	Infrastructure and Services	23
2014/036				Construction of Recreational Park Steadville/Tatkane	Date of Completion	Construction of One (1) Recreational Park in Steadville/Tatkane completed by 30 June 2015, comprising of the following: Fencing, Irrigation system, grassing, 2x Ablution facilities (male and female), and electricity connections.	New project	N/A	N/A	N/A	R 2 000 000.00	R 1 561 871.61	2301/20991	Completion of construction of Steadville/Tatkane recreational park by the 30th June 2015	Achieved- Construction of One (1) Recreational Park in Steadville/Tatkane has been achieved by the 30 June 2015, consisting of fencing, irrigation system, grassing and 2x ablution facilities (Male and female), and electricity connections.	N/A	N/A	Approve building plans, completion certificate for storm water and completion certificate for grass facility	Infrastructure and Services	09 & 21
2014/037				Upgrading of Swimming Pool: St Chads	Date of Completion	Upgrading of One (1) Swimming Pool : St Chads by the 30 June 2015, consisting of fencing and electrical connections.	One (1) swimming pool to be constructed	One (1) swimming pool constructed	R 3 000 000	R 2 527 967.51	R 500 000.00	R 315 369.49	2201/04561	Completion of construction of St Chads swimming pool by the 30th June 2015	Achieved- Upgrading of One (1) Swimming Pool: St Chads achieved by 30 June 2015, consisting of fencing and electrical connections	N/A	N/A	Close out report	Infrastructure and Services	27
2014/038				Construction of phase II of Ezakheni Sports Complex	Date of Completion	Construction of Ezakheni Sports Complex - Phase II: One (1) x swimming pool- stage 1	Ezakheni Sports Complex to be constructed	Ezakheni Sports Complex Phase I completed	R 6 300 000	R 6 737 643.63	R 4 000 000.00	R 4 006 517.96	2201/04581	Completion of construction of phase II of Ezakheni Sports Complex by the 30th June 2015	Achieved- Construction of One (1) swimming pool in ward 1 (Ezakheni Sports Complex - Phase II) stage 1 achieved by the 30 June 2015.	N/A	N/A	Minutes of meetings, report from task team	Infrastructure and Services	1
2014/039				Construction of Streetlights in Peacetown	Date of Completion	Construction of 93 streetlights in Peacetown by 30 June 2015	New project	N/A	N/A	N/A	R 1 500 000.00	R 1 579 090.36	3700/30691	Completion of construction of Peacetown streetlights by the 30th June 2015	Achieved - Installed 93 streetlights in Peacetown as at 30 June 2015	N/A	N/A	Correspondence to ward councillors, correspondence with eskom, appointment letter and practical completion certificate	Infrastructure and Services	15
2014/040				Construction of Streetlights in Watersmeet	Date of Completion	Construction of 84 streetlights in Watersmeet by 30 June 2015	204	204	R 1 032 000	R 1 012 220.60	R 1 500 000.00	R 1 876 250.63	3700/30681	Completion of construction of Watersmeet streetlights by the 30th June 2015	Achieved - Installed 84 streetlights in Watersmeet as at 30 June 2015	N/A	N/A	Correspondence to ward councillors, correspondence with eskom, appointment letter and practical completion certificate	Infrastructure and Services	16
2014/041				Construction of Streetlights in D'Nkfontein	Date of Completion	Construction of 163 streetlights D'Nkfontein by 30 June 2015	New project	N/A	N/A	N/A	R 3 000 000.00	R 2 402 756.90	3700/30721	Completion of construction of D'Nkfontein streetlights by the 30th June 2015	Achieved - Installed 163 streetlights in D'Nkfontein as at 30 June 2015	N/A	N/A	Letter of appointments, site inuction and completion certificate	Infrastructure and Services	18
2014/042				Construction of Burford Streetlights	Date of Completion	Construction of 87 streetlights in Burford by 30 June 2015	87 Streetlights	Nil	R 1 500 000.00	R 265 663.81	R 1 000 000.00	R 600 153.11	2201/04571	Completion of construction of Burford streetlights by the 30th June 2015	Achieved - Installed 87 streetlights in Burford as at 30 June 2015	N/A	N/A	Letter of appointments, site inuction and completion certificate	Infrastructure and Services	14
2014/043				Upgrade bulk electricity supply in Colenso Phase 3	Date of Completion	Building of one Electrical Switch House with complete Switch Gear in Colenso (Phase 3) by 30 June 2015	15000 Meters of cable	13668 Meters of cable installed	R 12 400 000	R 11 156 634.82	R 6 400 000.00	R 1 630 645.56	2501/20961	Completing upgrading of Colenso Phase 3 bulk electricity supply by the 30th June 2015	Not Achieved - Completing upgrading of Colenso Phase 3 bulk electricity supply not achieved by the 30th June 2015	1. The building contractor was appointed late 2. No suitable bids for switch gear supplier received	1. Planning and procurement process to commence early in the financial year 2. Bids were readvertised to secure suitable service provider	Correspondence with eskom, letter of appointment	Infrastructure and Services	25
2014/044	Basic Service Delivery and Infrastructure Development			Construction of Pedestrian S Mge at St Chads	Date of Completion	Construction of One (1) Pedestrian S Mge with 2x abundments, 2x columns and the installation of structural steel by 30 June 2015	New project	N/A	N/A	N/A	R 2 000 000.00	R 1 485 739.67	3700/30671	Completion of construction St Chads pedestrian bridge by the 30th June 2015	Not Achieved- Construction of One (1) Pedestrian S Mge at St Chads not achieved by the 30 June 2015. Completed the 2x abundments and 2x columns. Steel structure manufactured but not installed.	Delays were experienced in acquiring raw materials (steel)	1. Improve on Planning and procurement of raw materials (steel) 2. EWM to consider appointing 2 Service Providers, 1 for concrete works and other for steel structure	Bid document with BOQ, Letter of appointment, Site minutes and practical close up certificate	Infrastructure and Services	7

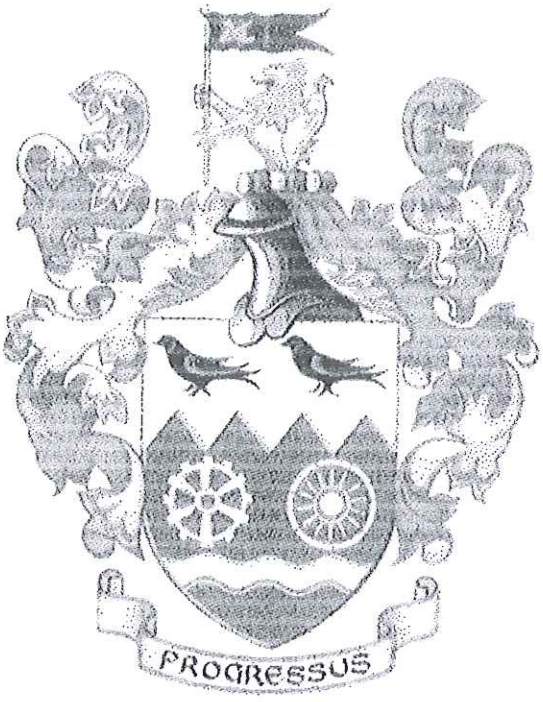
2014/045		Municipal	Implementation	Construction of Tarred Road: Mbombi's Camp	Date of Completion	Construction of 2km of Tarred Road in Mbombi's Camp by the 30 June 2015, consisting of the Ripping of road, stormwater, kerbing, preparing of sub base, selected layer, base layer and surface layer	New project	N/A	N/A	N/A	R 10 000 000.00	R 9 150 425.43	220103951	Completion of construction of Mbombi's Camp tarring of roads by the 30th June 2015	Not Achieved-Construction of 2km of Tarred Road at Mbombi's Camp not achieved by 30 June 2015. Challenges were encountered with the existing and non- functional services in the area. However, the ripping of the road, stormwater, kerbing, preparing of sub base, selected layer and base layer has been completed.	1. Shortage of Bitumen in the entire country 2. Infrastructure installed by Provincial Department of Human Settlements not up to standard thus causing delays in construction of roads.	1. Improve on planning processes 2. With Municipal accreditation Province is no longer directly involved in implementation of projects, the role is Municipal standards is a new applicable	Appointment letter of consultant, bid document, appointment letter of constructor and practical completion certificate	Infrastructure and Services	20
2014/046				Construction of Tarred Road: Area J	Date of Completion	Construction of 3 km of tarred road in Area J by the 30 June 2014, consisting of Ripping of road, stormwater, kerbing, preparing of sub base, selected layer, base layer and surface layer.	3 km's of Road	3 km's constructed. Engineering Designs completed.	R 4 000 000.00	R 1 204 261.60	R 12 500 000.00	R 10 316 804.02	370030021	Completion of construction of tarring of road in Area J by the 30th June 2015	Achieved-Construction of 3 km of Tarred Road in Area J has been achieved by the 30th of June 2015 , consisting of Ripping of road, stormwater, kerbing, preparing of sub base, selected layer, base layer and surface layer.	N/A	N/A	Site minutes and practical completion certificate	Infrastructure and Services	21
2014/047				Construction of Link Road: Acacieville to Ezakheni	Date of Completion	Construction of 5.6 km of Link Road: Acacieville to Ezakheni by 30 June 2015	5.6 Km of Road	3 Km constructed	R 20 319 530.00	R 13 884 588.24	R 17 503 000.00	R 17 503 000.00	370022901	Completion of construction of Link Road between Acacieville and Ezakheni by the 30th June 2015	Achieved-The Construction of 5.6 km of Link Road: Acacieville to Ezakheni has been achieved by the 30 June 2015.	N/A	N/A	Site minutes and practical completion certificate	Infrastructure and Services	20
2014/048				Widening of single lane bridge over the railway line: Link road Acacieville to Ezakheni	Date of Completion	Widening of single lane bridge over the railway line: Link Roads Acacieville to Ezakheni by the 30 June 2015, construction of bridge deck: Phase I.	New project	N/A	N/A	N/A	R 6 819 030.00	R 3 154 841.42	220103681	Completion of widening of single lane bridge crossing over the railway line: Link road Acacieville to Ezakheni by the 30th June 2015	Achieved-The Widening of single lane bridge over the railway line: Link Roads Acacieville to Ezakheni has been achieved by the 30 June 2015, construction of bridge deck (Phase I)	N/A	N/A	Bid document, Letter of appointment, Site Minutes and Practical completion certificate	Infrastructure and Services	20
2014/049				Construction of tarred roads Ward 2	Date of Completion	Construction of 2 km of tarred road in ward 2 by the 30 June 2015, consisting of Ripping of road, stormwater, kerbing, preparing of sub base, selected layer, base layer and surface layer.	New project	N/A	N/A	N/A	R 27 000 000.00	R 25 204 691.45	220103697 (,370030731	Completion of construction of 2 km of tarred road in ward 2 by the 30th of June 2015	Achieved-Construction of 2 km of Tarred Road in ward 2 has been achieved by the 30th of June 2015 , consisting of Ripping of road, stormwater, kerbing, preparing of sub base, selected layer, base layer and surface layer.	N/A	N/A	Appointment letter of consultant, bid document, appointment letter of constructor and practical completion certificate	Infrastructure and Services	2
2014/050				Construction of tarred roads Ward 6	Date of Completion	Construction of 2 km of tarred road in ward 6 by the 30 June 2015, consisting of Ripping of road, stormwater, kerbing, preparing of sub base, selected layer, base layer and surface layer	New project	N/A	N/A	N/A				Completion of construction of tarred road in ward 6 by the 30th of June 2015	Achieved-Construction of 2 km of Tarred Road in ward 6 has been achieved by the 30th of June 2015 , consisting of Ripping of road, stormwater, kerbing, preparing of sub base, selected layer, base layer and surface layer.	N/A	N/A	Appointment letter of consultant, bid document, appointment letter of constructor and practical completion certificate	Infrastructure and Services	6
2014/051				Construction of tarred roads Ward 8	Date of Completion	Construction of 2 km of tarred road in ward 8 by the 30 June 2015, consisting of Ripping of road, stormwater, kerbing, preparing of sub base, selected layer, base layer and surface layer	New project	N/A	N/A	N/A				Completion of construction of tarred road in ward 8 by the 30th of June 2015	Achieved-Construction of 2 km of Tarred Road in ward 8 has been achieved by the 30th of June 2015 , consisting of Ripping of road, stormwater, kerbing, preparing of sub base, selected layer, base layer and surface layer.	N/A	N/A	Appointment letter of consultant, bid document, appointment letter of constructor and practical completion certificate	Infrastructure and Services	8
2014/052				Electrification of Embuzweni/Kwhlubilokh	Date of Completion	Electrification of 323 households in Embuzweni/Kwhlubilokh by the 30 June 2015	New project	N/A	N/A	N/A	R 7 000 000.00	R 7 000 000.00	370027131	Electrification of households in Embuzweni/Kwhlubilokh by the 30 June 2015	Achieved-electrification of 323 Embuzweni/Kwhlubilokh completed by the 30 June 2015	N/A	N/A	Bid document, Letter of appointment, Site Minutes and Practical completion certificate	Infrastructure and Services	15 & 16
2014/053				Completing Construction of Low Water Crossing in Rooiboom, Goodhope, St Josephs, Burford, Watermeet, Pieters and Boldaskraal	Date of Completion	Construction of Low water Crossing in Rooiboom, Goodhope, St Josephs, Burford, Watermeet,Pieters and Boldaskraal by 30 June 2015	New target	N/A	N/A	N/A	R 4 041 480.00	R 3 565 372.00	370030511,370030521,370039531,370030541,370030551,370030561,370030631,370030641,370030651,370039541,370039791,370030551, 370039561	Completion of Low Water Crossing by the 30th of June 2015	Achieved-Construction of Low water Crossing in Rooiboom, Goodhope, St Josephs, Burford, Watermeet,Pieters and Boldaskraal has been achieved by the 30 June 2015	N/A	N/A	Letter of appointment, Orders and Closeout reports	Infrastructure and Services	18,27, 7,8,24,26
2014/054		Disaster Recovery Grant	Implementation for spending of Disaster Recovery Grants	Rehabilitation of Gravel Roads at Watermeet, St Chads, Pieters, Kwamthundi and Luctonia	Date of Completion	Rehabilitation of Gravel Roads at Watermeet, St Chads, Pieters, Kwamthundi and Luctonia by 30 June 2015	New target	N/A	N/A	N/A	R 8 706 313.00	R 1 539 927.00	370039011,370039131,370039151,370039761,370039921,370039451	Rehabilitation of Gravel Roads by the 30th of June 2015	Not Achieved-Rehabilitation of Gravel Roads at Watermeet, St Chads, Pieters, Kwamthundi and Luctonia not achieved by 30 June 2015. Roads have been re-graveled, however compaction and drainage not finalised.	1. The Disaster Grant was received on the 16 March 2015 and the procurement process only started in the fourth (4th) quarter. 2. Completion equipment was not readily available from the External Service Providers.	1. Planning has already commenced for the 2015/2016 and 2016/2017 financial year. 2. Annual supply tender for plant and equipment (including completion equipment) has been awarded.	Daily report, Close out report, BOQ	Infrastructure and Services	8,7,27,24
2014/055				Construction of Tarred Roads at Steadville, Acacieville and Limhill	Date of Completion	Construction of Tarred Roads at Steadville, Acacieville and Limhill By the 30 June 2015.	New target	N/A	N/A	N/A	R 18 468 207.00	R 25 999 368.00	370030031,370030041,370039551,370030061,370030071,370039151,370039221,370039231,370039241,370039271,370039311,370039321	Construction of tarred roads by the 30th of June 2015	Achieved-Construction of Tarred Roads at Steadville, Acacieville and Limhill has been achieved by 30 June 2015	N/A	N/A	Bid document, Letter of appointment, Site Minutes and Closeout Report.	Infrastructure and Services	10,20,21,22
2014/056				Repairs to 5 Sub stations	Date of Completion	Completing repairs to 5 storm damaged substations in Model Kloof, Steadville, Ramblers, Bantha and Matuta by 30 June 2015	New target	N/A	N/A	N/A	R 150 000.00	R 129 045.01	370039921	5 Substations to be repaired by the 30th of June 2015	Achieved-5 Substations repaired as the 30th of June 2015	N/A	N/A	Letter of appointments, site minutes and completion certificate	Infrastructure and Services	18, 20, 21, 22
2014/057	Local Municipality	Financial Management	Improve Management of finances	Attending to Auditor General Finance Queries timeously	Percentage of queries received and attended to	Attend to 100% of all Finance Queries raised by the Auditor General	New target	N/A	N/A	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	Audit Report/ Action Plan	Finance	N/A
2014/058				To reduce current debtors by 5%	Percentage of debtors - 30 days outstanding	Reduction of current debtors by 5%	New target	N/A	N/A	N/A	N/A	N/A	N/A	5%	0%	Decrease in collection rate	Municipality is working on a credit control drive to visit the areas of long outstanding debt to improve the recovery rate.	Debtors Age Analysis	Finance	N/A
2014/059				Percentage of a municipality's capital budget actually spent on capital projects identified in the IDP	Percentage: Total spending on capital projects divided by total capital budget x 100	Ensuring 100% of the municipality's capital budget is spent on capital projects identified in the IDP	New target	N/A	N/A	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	Annual financial Statements	Finance	N/A
2014/060				Financial viability in terms of debt coverage	Ratio: Total operating revenue received minus operating grants divided by debt service payments (ie interests plus redemption)	Ensuring the ratio financial viability in terms of debt coverage is 1:3	New target	N/A	N/A	N/A	N/A	N/A	N/A	1:3	1.1796	N/A	N/A	1:3	Finance	N/A
2014/061				Financial viability in terms of cost coverage	Ratio: Available cash plus investments divided by monthly fixed operating expenditure	Ensuring the ratio financial viability in terms of cost coverage is 1:2	New target	N/A	N/A	N/A	N/A	N/A	N/A	1:2	16,05	N/A	N/A	1:2	Finance	N/A
2014/062				Financial viability in terms of outstanding service debtors to revenue	Ratio: Outstanding service debtors divided by annual revenue actually received for services	Ensuring the ratio financial viability in terms of outstanding service debtors is 1:1	New target	N/A	N/A	N/A	N/A	N/A	N/A	1:1	1:0,50	The collection is more than the outstanding debtors	N/A	1:1	Finance	N/A
2014/063		Revenue Management	Improve Revenue Management	To Monitor Monthly Debtors Age Analysis	Number of reports	Ensuring that 12 reports on Debtors Age Analysis are reported monthly for monitoring purposes	New target	N/A	N/A	N/A	N/A	N/A	N/A	12	12	N/A	N/A	Monthly Budget Statements	Finance	N/A
2014/064				SCM Unit to convene Bid committee for all bids below 10 mil within 14 Days of each stage	Percentage	Ensuring 100% of bids below 10 million are evaluated by bid committee within 14 days of each stage	New target	N/A	N/A	N/A	N/A	N/A	N/A	100%	50%	Bid committee meetings were no longer convened by the unit. New processes were implemented in trying to deal with backlogs. Meeting not having quorum. Poor quality of minutes.	SCM unit is convening bid committee meetings. Schedule of meetings have been develop. Number of members in committees have been reduced. Training of members have been arranged to take place.	Monthly Reports to the Municipal Manager and Portfolio Committees (Finance and Affected Departmental Portfolio)	Finance	N/A

2014/065	Financial Viability and Management	Supply Chain Management	Effective Supply Chain Management	Processing of Goods and Services less than R30 000 within 14 days	Percentage of goods and services processed	Ensuring 100% Processing of Goods and Services less than R30 000 within 14 days	New target	N/A	N/A	N/A	N/A	N/A	N/A	100%	84%	Insufficient funds, Insufficient space and no proper planning	Meeting with Departments Departments need to do proper planning Implement procurement plan and advise the Departments	Monthly Reports to the Municipal Manager and Portfolio Committees (Finance and Affected Departmental Portfolio)	Finance	N/A
2014/066				Processing of Goods and Services from R30 000 to R200 000 within 30 days	Percentage of procurement requests received and processed	Ensuring 100% Processing of Goods and Services from R30 000 to R200 000 within 30 days	New target	N/A	N/A	N/A	N/A	N/A	N/A	100%	84%	Insufficient funds, Insufficient space and no proper planning	Meeting with Departments Departments need to do proper planning Implement procurement plan and advise the Departments	Monthly Reports to the Municipal Manager and Portfolio Committees (Finance and Affected Departmental Portfolio)	Finance	N/A
2014/067		Reporting	Reporting with compliance with Reporting systems	Submit monthly National Treasury reports within 10 working days to National Treasury, MFMA Compliance	Number of reports	Ensuring Submission of 12 National Treasury reports within 10 working days to National Treasury, MFMA Compliance	New target	N/A	N/A	N/A	N/A	N/A	N/A	12	12	N/A	N/A	Samtrix System	Finance	N/A
2014/068				Submit monthly reports to Mayor within 10 working days	Number of reports	Ensuring Submission of 12 monthly reports to Mayor within 10 working days	New target	N/A	N/A	N/A	N/A	N/A	N/A	12	12	N/A	N/A	Monthly Reports to the Municipal Manager and Portfolio Committees (Finance and Affected Departmental Portfolio)	Finance	N/A
2014/069				Report monthly budget statements to management monthly	Number of reports	Ensuring 12 monthly budget statements reported to management	New target	N/A	N/A	N/A	N/A	N/A	N/A	12	12	N/A	N/A	Monthly Reports to the Municipal Manager and Portfolio Committees (Finance and Affected Departmental Portfolio)	Finance	N/A
2014/070				Timeous submission of 2013/2014 Annual Financial Statements	Dates of Submission	Ensuring Timeous submission of 2013/2014 Annual Financial Statements to the Auditor General by 30 August 2014	New target	N/A	N/A	N/A	N/A	N/A	N/A	Submission of the Annual Financial Statements on the 30th August 2014 to Auditor General	Annual Financial Statements were submitted on the 29th of August 2014	N/A	N/A	Annual financial Statements	Finance	N/A
2014/071		Asset Management	Effective Asset and Inventory Management	To comply 2013/2014 Annual Credible Asset register	Number of Asset Register	Ensuring the compilation of a credible 2013/2014 Annual Asset register	New target	N/A	N/A	N/A	R 1 900 000.00	R 1 881 600.00	111142459	1	1	N/A	N/A	Asset Registers	Finance	N/A
2014/072		Maximise Revenue	Ensuring maximisation of revenue generation	Quarterly collection rate	Percentage	Ensuring a Quarterly collection rate of 87% to maximise revenue generation	84%	87%	R 349 730 715.00	R 340 243 671.00	R 373 553 250	R 373 615 831.69	1150 10401,1150 10402, 11501 0403,1150 10404,1150 10405,115 01040K, 1150 10407, 110036001, 113299301, 110036102, 113299001,110036001, 1150 10001	87%	87%	N/A	N/A	Monthly Reports to the Municipal Manager and Portfolio Committees (Finance and Affected Departmental Portfolio)	Finance	N/A

ANNEXURE "B"

ANNUAL FINANCIAL STATEMENTS (AFS)

Emnambithi / Ladysmith Municipality



Annual Financial Statements

FOR THE FINANCIAL YEAR ENDED

30 June 2015

General Information

Legal form of entity	Local Municipality
Members of the Council	
Mayor	Mr M V Madlala
Deputy Mayor	Ms S R Mfusi
Speaker	Ms Z B Rassool
Chief Whip	Mr T W Ngubane
Member of the Executive Committee	Ms T Hadebe
	Mr K L Msibi
	Mr T P Makhaza
	Mr M J Buthelezi
	Mr A S D Warasally
	Mr T Msomi
	Ms S J Sithebe
Accounting Officer	Mr M P Khathide
Chief Financial Officer	Mr M Hloba
Grading of local authority	4
Registered office	221 Murchison Street Lister Clarence Building Ladysmith Tel: 036-6372231 Fax: 036-6311400 E-mail: mm@ladysmith.co.za
Postal address	PO Box 29 Ladysmith Kwazulu-Natal 3370
Bankers	ABSA - Public Sector Banking
Auditors	Auditor-General

Emnambithi / Ladysmith Municipality

Financial Statements for the year ended 30 June 2015

Index

The reports and statements set out below comprise the financial statements presented :

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Accounting Officer's Responsibilities and Approval

The Accounting Officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities, the Accounting Officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Accounting Officer has reviewed the municipality's cash flow forecast for the period to 30 June 2015 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the income from services, rates and grants for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the Emnambithi / Ladysmith Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

The financial statements set out on pages 1 to 62, which have been prepared on the going concern basis, were approved by the Accounting Officer on 31 August 2015.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 25 of these financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Accounting Officer
Mr M P Khathide

Date : 31/08/2015

Statement of Financial Position

	Note(s)	2015 R	2014 Restated R
Assets			
Current Assets			
Inventories	16	13 517 722	16 618 648
Trade and Other Receivables from Exchange Transactions	17	25 806 911	22 517 812
Other Receivables from Non-Exchange Transactions	18	71 973 112	52 401 802
VAT Receivable	9	1 903 622	2 694 095
Current Portion of Non-Current Receivables	15	1 400	1 400
Short-Term Investments	14	38 675 930	26 346 179
Call Investment Deposits	19	143 338 377	81 677 144
Cash and Cash Equivalents	20	8 679 987	13 205 998
		303 897 061	**215 463 077**
Non-Current Assets			
Property, Plant and Equipment	10	952 785 049	866 052 400
Intangible Assets	11	425 024	571 105
Investment Property	12	82 121 000	82 830 000
Heritage Assets	13	15 302 512	15 302 512
Non-Current Receivables from Exchange Transactions	15	16 009	17 610
		1 050 649 593	**964 773 627**
Total Assets		**1 354 546 654**	**1 180 236 704**
Current Liabilities			
Consumer Deposits	4	9 188 827	8 152 163
Provisions	5	26 390 266	24 325 822
Trade and Other Payables from Exchange Transactions	7	161 639 439	95 601 285
Unspent Conditional Grants and Receipts	8	20 609 904	26 683 118
Current Portion of Finance Lease Obligation	3	5 465	20 674
Current Portion of Long-term Loans	2	273 316	250 698
		218 107 217	**155 033 759**
Non-Current Liabilities			
Long-term Loans	2	4 437 121	4 710 438
Finance Lease Obligation	3	-	5 465
Retirement Benefit Obligations	6	28 855 000	34 056 268
		33 292 121	**38 772 170**
Total Liabilities		**251 399 338**	**193 805 930**
Net Assets		**1 103 147 317**	**986 430 775**
Net Assets			
Housing Development Fund	1	29 217 591	28 184 255
Accumulated Surplus		1 073 929 726	958 246 519
Total Net Assets		**1 103 147 317**	**986 430 775**

Statement of Financial Performance

Restated Actual 2014 R		Note(s)	Actual 2015 R	Approved Budget 2015 R	Adjustments 2015 R	Final Budget 2015 R	Difference between Final Budget and Actual R
	Revenue						
	Revenue from non-exchange transactions						
121 413 041	Property Rates	21	131 353 609	132 675 162	(2 220 783)	130 454 379	899 230
6 618 862	Property Rates - Penalties & Collection Charges		6 565 330	7 316 900	4 364 139	11 681 039	(5 115 709)
8 390 210	Fines		10 564 080	8 963 670	-	8 963 670	1 600 410
5 725 761	Licences and Permits		6 251 120	7 553 300	(1 413 477)	6 139 823	111 297
173 765 929	Government Grants and Subsidies	23	236 722 703	189 116 000	43 723 000	232 839 000	3 883 703
1 894 426	Government Grants - Low Cost Housing	23	1 196 183	-	-	-	1 196 183
	Revenue from exchange transactions						
246 250 769	Service Charges	22	269 235 967	283 972 376	(12 877 551)	271 094 825	(1 858 858)
6 179 915	Interest Earned - External Investments		8 398 564	9 000 000	(2 000 000)	7 000 000	1 398 564
1 004 745	Interest Earned - Outstanding Receivables		1 979 639	10 291 992	(8 490 783)	1 801 209	178 430
15 312 615	Other Income	34	17 748 536	23 182 700	(4 557 991)	18 624 709	(876 173)
586 656 273	**Total Revenue**		690 015 731	672 072 100	16 526 554	688 598 654	1 417 077
	Expenditure						
159 570 959	Employee Related Costs	24	158 980 351	173 280 088	6 154 876	179 434 964	(20 454 613)
14 508 862	Remuneration of Councillors	25	15 537 461	17 922 728	(2 171 874)	15 750 854	(213 393)
16 429 198	Bad Debts		22 157 840	17 416 715	4 808 262	22 224 977	(67 137)
16 922 354	Indigency		14 898 064	18 177 038	(3 200 371)	14 976 667	(78 603)
60 119 536	Depreciation and Amortisation Expense		53 850 980	74 215 369	(11 087 179)	63 128 190	(9 277 210)
32 300 080	Repairs and Maintenance		33 703 842	37 083 120	(1 190 519)	35 892 601	(2 188 759)
469 241	Finance Costs	26	465 045	482 862	-	482 862	(17 817)
149 064 631	Bulk Purchases	27	161 419 460	164 306 011	1 318 527	165 624 538	(4 205 078)
121 641 162	General Expenses	29	109 909 033	127 938 881	(6 565 566)	121 373 315	(11 464 282)
571 026 023	**Total Expenditure**		570 922 075	630 822 812	(11 933 844)	618 888 968	(47 966 893)
	Other Gains / Losses						
(2 092 679)	Gain / (Loss) on sale/disposal of assets		(199 215)	-	-	-	(199 215)
839 000	Gain / (Loss) on fair value adjustment		(655 000)	-	-	-	(655 000)
-	Gain / (Loss) on revaluation of assets		-	-	-	-	-
-	Inventories : Write-down to net realisable value		-	-	-	-	-
119 622	Impairment Loss / Reversal of impairment loss		-3 975 839	-3 053 204	-	-3 053 204	(922 635)
14 396 193	**Surplus / (Deficit) for the year**		114 263 603	38 196 084	28 460 398	66 656 482	47 607 121

Statement of Changes in Net Assets

	Housing Development Fund	Accumulated Surplus	Total Net Assets
	R	R	R
Opening balance as previously reported	25 033 273	837 203 377	862 236 650
Surplus for the year	-	83 836 955	83 836 955
Prior Year Adjustment: Unclaimed Payments to Employees / Creditors	-	299 437	299 437
Prior Year Adjustment: Property, Plant and Equipment	-	21 531 925	
Prior Year Adjustment: Inventory - Land Held for Sale	-	-520 000	
Prior Year Adjustment: Investment Properties	-	-3 364 469	
Adoption of GRAP 103 - Heritage Assets	-	18 276	
Other Transfers to Internal Funds	-	-81 522	-81 522
Transfer to Self-Insurance Fund	-	2 419 351	2 419 351
Transfer to Housing Development Fund	1 300 584	-	1 300 584
Balance at 30 June 2013 (Restated)	**26 333 856**	**941 343 330**	**950 011 455**
Surplus for the year	-	14 396 193	14 396 193
Prior Year Adjustment: Unclaimed Payments to Employees / Creditors	-	-46 144	-46 144
Other Transfers to Internal Funds	-	-38 766	-38 766
Transfer to Self-Insurance Fund	-	2 591 906	2 591 906
Transfer to Housing Development Fund	1 850 399	-	1 850 399
Balance at 30 June 2014 (Restated)	**28 184 255**	**958 246 519**	**968 765 042**
Surplus for the year	-	114 263 603	114 263 603
Prior Year Adjustment: Unclaimed Payments to Employees / Creditors	-	11 979	11 979
Other Transfers to Internal Funds	-	21 800	21 800
Transfer to Self-Insurance Fund	-	1 385 824	1 385 824
Transfer to Housing Development Fund	1 033 336	-	1 033 336
Balance at 30 June 2015	**29 217 591**	**1 073 929 726**	**1 085 481 585**

Cash Flow Statement

Restated Actual 2014 R		Note(s)	Actual 2015 R	Approved Budget 2015 R	Adjustments 2015 R	Final Budget 2015 R	Difference between Final Budget and Actual R
	Cash flows from operating activities						
	Receipts						
351 502 353	Sale of goods and services		362 073 878	437 078 000	-	437 078 000	75 004 122
172 609 901	Grants		231 866 244	188 988 000	31 345 000	220 333 000	-11 533 244
6 179 915	Interest received		8 398 564	9 000 000	-2 000 000	7 000 000	-1 398 564
32 823 591	Other receipts		23 999 657	930 000	-	930 000	-23 069 657
563 115 759			626 338 343	635 996 000	29 345 000	665 341 000	39 002 657
	Payments						
-193 446 343	Employee costs		-195 226 210	-521 853 000	-	-521 853 000	-326 626 790
-268 088 086	Suppliers		-202 443 704		-		202 443 704
-469 241	Interest paid		-465 045	-478 000	-	-478 000	-12 955
-7 904 928	Other payments		-13 043 831	-26 492 000	-	-26 492 000	-13 448 169
-469 908 598			-411 178 790	-548 823 000	-	-548 823 000	-137 644 210
93 207 161	**Net cash flows from operating activities**	30	216 159 553	87 173 000	29 345 000	116 518 000	-98 641 553
	Cash flows from investing activities						
-118 690 600	Purchase of property, plant and equipment		-145 852 257	-111 799 000	-46 274 030	-158 073 030	-12 220 773
-3 195 000	Purchase of investment property		-	-	-	-	-
-	Purchase of intangible assets		-46 617	-	-	-	46 617
3 212 968	Proceeds on sale of assets		475 667	-	-	-	-475 667
-118 672 633	**Net cash flows from investing activities**		-145 423 207	-111 799 000	-46 274 030	-158 073 030	-12 649 823
	Cash flows from financing activities						
-228 970	New loans raised/(repaid)		-250 698	-228 000	-	-228 000	22 698
-18 901	Finance lease raised/(repaid)		-20 674	-	-	-	20 674
-247 872	**Net cash flows from financing activities**		-271 372	-228 000	-	-228 000	43 372
-25 713 344	**Net increase / (decrease) in cash and cash equivalents**		69 464 973	-24 854 000	-16 929 030	-41 783 030	-111 248 003
	Cash and cash equivalents at the beginning of the year						
80 955 967	- Short-Term Investments		26 346 179	-	-	-	-26 346 179
95 301 130	- Call Investment Deposits		81 677 144	-	-	-	-81 677 144
-29 314 433	- Cash and cash equivalents		13 205 998	90 328 000	-	90 328 000	77 122 002
146 942 664			121 229 320	90 328 000	-	90 328 000	-30 901 320
	Cash and cash equivalents at the end of the year						
26 346 179	- Short-Term Investments	14	38 675 930	-	-	-	-38 675 930
81 677 144	- Call Investment Deposits	19	143 338 377	-	-	-	-143 338 377
13 205 998	- Cash and Cash Equivalents	20	8 679 987	65 474 000	-16 929 030	48 544 970	39 864 983
121 229 320			190 694 294	65 474 000	-16 929 030	48 544 970	-142 149 324

1. BASIS OF PREPARATION

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost conventions as the basis of measurement, except where specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraph 8, 10 and 11 of GRAP 3 (Revised – March 2012) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.4 COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1 and 24, has been provided in additional columns to the Statement of Financial Performance and the Cash Flow Statement.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality :

GRAP 18: Segment Reporting – Issued March 2005:

Compliance with this standard would have had an effect on the presentation only. Financial information would have been reported by segments. The disclosure of this information will assist users of the financial statements to better understand the entity's past performance and to identify the resources allocated to support the major activities of the entity.

GRAP 20: Related Party Disclosures – issued June 2011:
Compliance with this standard would not have a significant impact on the financial position, financial performance or cash flows of the municipality.

1.6 STANDARDS EFFECTIVE AND IMPLEMENTED IN 2014/2015:

GRAP 100: Discontinued Operations
The Municipality applied the classification of Inventories (Held For Sale) in terms of GRAP 100.

2. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

3. INTERNAL RESERVES

Self Insurance Reserve

The municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally (excess payments). Premiums are charged to the respective services taking into account claims history and replacement values of the insured assets. The balance of the self-insurance fund is ring-fenced within the accumulated surplus/(deficit).

The Council determines annually the amount to contribute to the Self Insurance Reserve.

Claims not fully covered by external insurance are financed from the insurance reserve by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

The municipality operates a self-insurance scheme under the Self-Insurance Reserve, which has a policy that is aligned with the practice in the Insurance Industry. The balance of the Self-Insurance Reserve is determined based on surpluses accumulated since inception.

These surpluses arise from the differences between premiums charged against claims paid and various administrative expenditure incurred.

At the end of each financial year the surplus as computed per above is transferred from accumulated surplus to Self-Insurance Reserve.

The balance of the self-insurance fund is fully cash backed and is invested in a separate call account.

4. PROPERTY, PLANT AND EQUIPMENT

4.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost).

If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

4.2 SUBSEQUENT MEASUREMENT – COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

4.3 DEPRECIATION AND IMPAIRMENT

Depreciation is calculated on cost less residual value, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. Land is not depreciated as it is deemed to have an indefinite useful life.

The annual depreciation rates are based on the following estimated average asset lives:-

DETAILS	YEARS	DETAILS	YEARS
Infrastructure		*Other*	
Roads and Paving	5 - 100	Buildings	10 – 50
Pedestrian Malls	20	Specialised Vehicles	3 – 20
Electricity	10 – 50	Other Vehicles	3 – 20
Water	10 -100	Office Equipment	5 – 7
Sanitation	10 - 100	Furniture and Fittings	10
Housing	30	Watercraft	15
Stormwater	25 – 120	Bins and Containers	5 – 10
Community		Specialised Plant and Equipment	5 – 15
Buildings	10 – 50	Other Items of Plant and Equipment	5 – 15
Recreational Facilities	10 – 100	Landfill sites	15
Security	3 –5		

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

4.4 DERECOGNITION

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

4.5 INCOMPLETE CONSTRUCTION WORK

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

5. INVESTMENT PROPERTY

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.
Where investment property is acquired at no cost or for a nominal cost, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

5.1 FAIR VALUE

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the fair value of investment property under construction is not determinable, it is measured at cost until the earlier of the date it becomes determinable or construction is complete.

6. INTANGIBLE ASSETS

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

An intangible asset acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition.
Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.

- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Servitudes	indefinite
Software	3 years

7. HERITAGE ASSETS

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

7.1 INITIAL RECOGNITION

A heritage asset that qualifies for recognition as an asset is measured at its cost and any costs directly attributable to bringing the heritage asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality.

Where a heritage asset is acquired through a non-exchange transaction, its deemed cost is to be measured at its fair value as at the date of acquisition.

7.2 SUBSEQUENT MEASUREMENT

Subsequent to initial recognition, heritage assets are measured at cost less accumulated impairment losses.

7.3 DEPRECIATION AND IMPAIRMENT

Heritage assets are not depreciated but assessed at each reporting date whether there is an indication that it may be impaired.

7.4 DEROCOGNITION

Heritage assets are derocognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use or disposal of the asset. The gain or loss arising on the disposal or retirement of a heritage asset is recognised in the Statement of Financial Performance.

8. IMPAIRMENT OF ASSETS

8.1 CASH GENERATING ASSETS

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortization is recognized immediately in surplus or deficit.

An impairment loss is recognized for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- To the assets of the unit, pro-rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortization is recognized immediately in surplus or deficit.

8.2 NON-CASH GENERATING ASSETS

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortization is recognized immediately in surplus or deficit.

An impairment loss is recognized for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- To the assets of the unit, pro-rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortization is recognized immediately in surplus or deficit.

9. INVENTORIES

9.1 INITIAL RECOGNITION

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

9.2 SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are

recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.
In general, the basis of allocating cost to inventory items is the weighted average method.

10. FINANCIAL INSTRUMENTS

10.1 INITIAL RECOGNITION

Financial instruments are initially recognised at fair value.

10.2 SUBSEQUENT MEASUREMENT

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to maturity, loans and receivables, or available for sale.

Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.

10.2.1 INVESTMENTS

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

10.2.2 TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 1 month from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the

amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

10.2.3 TRADE PAYABLES AND BORROWINGS

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

10.2.4 CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of four months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

11. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

12. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

13. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

14. PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where

the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

15. LEASES

15.1 MUNICIPALITY AS LESSEE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

16. REVENUE

16.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in

which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

16.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.
Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Fines constitute both spot fines and summonses. Fines are economic benefits or service potential received or receivable by the municipality as a consequence of the individual or entity breaching the requirements of laws or regulations.

The full amount of traffic fines issued during the year is recognized at the initial transaction date as revenue in accordance with IGRAP1.

Assessing and recognizing impairment is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears based on historic trends.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, the revenue is recognized as unspent grants.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

16.3 GRANTS, TRANSFERS AND DONATIONS

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

The Municipality acts as an agent in a principal / agent relationship with the Department of Human Settlement for the construction of RDP Houses. Transfers are made to the Municipality for approved housing projects from the Department of Human Settlement, and the Municipality releases payments from these transfers to the Implementing Agent for construction of RDP Houses. The transfers are recognized as Unspent Conditional Grants and Receipts in the Statement of Financial Position, and the revenue is only recognized in the Statement of Financial Performance once payments to the Implementing Agents are made upon handover of the houses to the beneficiaries.

17. BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

18. RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. Specific actuarial information in respect of individual participating municipalities is unavailable due to centralised administration of these funds. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

Other post-employment benefit obligations

The municipality provides post-retirement healthcare benefits to its retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. This benefit has since been restricted to persons 50 years and older of age as at 1 July 2005. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The expected costs of these benefits will be accrued over the period of employment using an accounting methodology similar to that used for defined benefit pension plans. Actuarial gains

and losses arising and changes in actuarial assumptions, are charged or credited to income over the expected average remaining working lives of the relevant employees.

19. KEY SOURCES OF ESTIMATION, UNCERTAINTY AND JUDGEMENTS

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures, Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade Receivables

The municipality assesses its trade receivables for impairment at the end of each financial year. In determining whether an impairment should be recorded in surplus or deficit. Judgements are made as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Provisions

Provisions were raised and management used experts to determine an estimate based on information available. Additional disclosure of these estimates of provisions are included in note 5 on Provisions.

Post Retirement Benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact on the carrying amount of post retirement obligation.

The municipality obtains an actuarial valuation of its post retirement healthcare benefit and disclosure of this obligation is included in note 6 on Retirement Benefit Obligations.

Allowance for Doubtful Debts

On debtors an impairment loss is recognised where there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows. In making the estimation of the impairment, management of the municipality considered the detailed criteria of impairment of financial assets as set out in IAS 39 – *Financial Instruments – Recognition and Measurement.*

Useful Lives of Property, Plant and Equipment

The municipality depreciates / amortises its property, plant and equipment, investment property and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when assets are available for use. The useful lives and residual lives are based on industry standards.

Impairment of Property, Plant and Equipment & Inventory

Estimates and judgements are made relating to property, plant and equipment for impairment testing and write-down of inventories to net realisable value as described in accounting policy 7 and 8 respectively.

20. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel are defined as the Municipal Manager, Chief Financial Officer, and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

21. COMMITMENTS

Commitments are future expenses and liabilities to be incurred on contracts that have been entered into at the reporting date.

The amount of capital commitments and other operating commitments contracted for at the reporting date, and which have not been recognised as liabilities are disclosed by way of note.

22. BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the GRAP standards, and are consistent with the accounting policies used for the preparation of these financial statements. The amounts are scheduled as separate additional columns in the Statement of Financial Performance and the Cash Flow Statement. These figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan (IDP).

23. EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

Notes to the Financial Statements

	2015 R	2014 Restated R
1. Housing Development Fund		
Unappropriated Surplus/(Deficit)	(17 906 911)	(18 940 247)
Loans extinguished by Government on 1 April 1998	47 124 502	47 124 502
	29 217 591	**28 184 255**
The Housing Operating Account is represented by the following assets and liabilities:		
Property, plant and equipment	-	-
Housing selling scheme loans	(2 863 494)	(2 818 484)
Housing rental debtors	-	-
Bank and cash	32 081 085	31 002 739
Sub-total	29 217 591	28 184 255
Creditors	-	-
	29 217 591	**28 184 255**
2. Long-term Loans		
Loans	4 710 438	4 961 135
Less : Current portion transferred to current liabilities	(273 316)	(250 698)
	4 437 121	**4 710 438**
Refer to Appendix A for more detail on long-term loans		
3. Finance Lease Obligations		
Minimum lease payments due		
- within one year	5 547	22 188
- in second to fifth year inclusive	-	5 547
- later than five years	-	-
	5 547	27 735
Less : Future finance charges	(82)	(1 596)
Present value of minimum lease payments	**5 465**	**26 139**
Present value of minimum lease payments due		
- within one year	5 465	20 674
- in second to fifth year inclusive	-	5 465
- later than five years	-	-
	5 465	**26 139**
Non-current liabilities	-	5 465
Current liabilities	5 465	20 674

It is the Municipality's policy to lease certain equipment under finance leases. The average lease term was 5 years and the average effective borrowing rate was 9.00% (2014 : 9.00%).
Interest rates are fixed at the contract date. All leases have fixed repayments.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

4. Consumer Deposits

Electricity	**9 188 827**	**8 152 163**

Interest is not paid on Consumer Deposits

Guarantees held in lieu of Electricity Deposits R 2 332 575 (2014: R 2 332 575)

5. Provisions

5.1 Environmental Rehabilitation : Landfill Site

Balance at beginning of year	15 927 936	13 934 566
Contribution to provision	310 902	1 993 370
	16 238 838	**15 927 936**

Provision for reclamation of refuse landfill site. In terms of the licencing of the refuse landfill site, council will incur rehabilitation estimation costs of R 16 238 838 (2014: R 15 927 936) to restore the site at the end of its useful life.

The calculation is based on the total actual area of the Landfill site which is in use and unrehabilitated multiplied by the last known actual rehabilitation cost per hectare escalated to current cost.

Council resolved to close the current landfill site as per Council Resolution EC8/03/2014 dated 19/03/2014.
The provision is disclosed as a current liability in terms of the council resolution taken, however Council reserves the right to rescind such resolution should there be any developments with regard to the newly proposed Landfill Site or existing Landfill Site.

5.2 Performance Bonuses

Balance at beginning of year	513 313	479 731
Contribution to provision	340 239	159 025
Expenditure incurred	(276 124)	(125 443)
	577 428	**513 313**

Performance bonuses are paid to the Municipal Manager and Section 56 Managers after an evaluation by the Council.

5.3 Long Service Awards

The Long Service Awards is a defined benefit plan. The Municipality offers employees Long Service Awards for every five years of continuous service completed, from 10 years to 45 years of service, inclusive. As at year end, 704 (2014 : 670) employees were eligible for Long Service Awards.

Completed Service (In years)	Long Service Bonuses (% of Annual Salary)	Description
10	4.0%	10 / 250 x Annual Salary
15	8.0%	20 / 250 x Annual Salary
20, 25, 30, 35, 40, 45	12.0%	30 / 250 x Annual Salary

In the month that each "Completed Service" milestone is reached, the employee is granted a Long Service Award.
Working days awarded are valued at 1/250th of annual salary per day.

The amounts recognised on the Statement of Financial Position are as follows:

Fair Value of Plan Assets	-	-
Accrued Liability	9 574 000	7 884 573
Unfunded Accrued Liability	**9 574 000**	**7 884 573**
Unrecognised Transitional Liability	-	-
Unrecognised Actuarial Gains/(Losses)	-	-
Unrecognised Past Service Cost	-	-
Net Liability in Statement of Financial Position	**9 574 000**	**7 884 573**

Movement in the Defined Benefit Obligation recognised in the Statement of Financial Position:

Previous opening liability	7 884 573	7 526 107
Current service cost	710 788	677 418
Interest cost	579 949	510 114
Actual benefits paid	(1 025 785)	(1 146 199)
Actuarial loss / (gain)	1 424 475	317 133
Closing Balance	**9 574 000**	**7 884 573**

Notes to the Financial Statements

	2015	2014 Restated
	R	R

6.3 Long Service Awards (Continued)
The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	710 788	677 418
Interest cost	579 949	510 114
Actuarial loss / (gain) recognised	1 424 475	317 133
Total included in Statement of Financial Performance	**2 715 212**	**1 504 665**

Key Financial Assumptions Used

Discount Rate	Yield Curve	7.90%
CPI (Consumer Price Inflation)	Difference between nominal and real yield curve	6.08%
Normal Salary Increase Rate	Equal to CPI +1%	7.08%
Net Effective Discount Rate	Yield Curve Based	0.77%

30 June 2015
The nominal and real zero curves as at 30 June 2015 supplied by the Johannesburg (JSE) were used to determine the discounted rates and CPI assumptions at each relevant time period.

30 June 2014
The discount rate was determined by deducing from the Johannesburg Stock Exchange (JSE) Zero Coupon bond yield after the market closed at the reporting date for 30 June 2014.

Key Demographic Assumptions Used

Average retirement age :		
Males	63	63
Females	63	60
Mortality during employment	SA 85 - 90	SA 85 - 90

Withdrawal from service (sample annual rates) :

30 June 2015

Age Band	Males	Females
20 - 24	16%	24%
25 - 29	12%	18%
30 - 34	10%	15%
35 - 39	8%	10%
40 - 44	6%	6%
45 - 49	4%	4%
50 - 54	2%	2%
55 - 59	1%	1%
60 +	0%	0%

30 June 2014

Age Band	Males	Females
20	16%	24%
30	10%	15%
40	6%	6%
50	2%	2%
55	0%	0%

Notes to the Financial Statements

	2015	2014 Restated
	R	R

5.3 Long Service Awards (Continued)

Sensitivity Analysis

30 June 2015

Withdrawal rate

	-20% Withdrawal rate	Valuation Assumption	+20% Withdrawal rate
Total Accrued Liability	R 10 208 000	R 9 574 000	R 9 021 000
Current Service Cost	R 1 049 000	R 937 000	R 845 000
Interest Cost	R 935 000	R 872 000	R 817 000

Normal salary inflation

	-1% Normal Salary Inflation	Valuation Assumption	+1% Normal Salary Inflation
Total Accrued Liability	R 8 914 000	R 9 574 000	R 10 308 000
Current Service Cost	R 853 000	R 937 000	R 1 034 000
Interest Cost	R 808 000	R 872 000	R 944 000

30 June 2014

Assumption	Change	Liability (R Millions)	% Change
Central assumptions		7.885	
General salary inflation	+1% -1%	8.392 7.426	6% -6%
Discount rate	+1% -1%	7.397 8.434	-6% 7%
Average retirement age	-2 yrs +2 yrs	6.917 8.750	-12% 11%
Withdrawal rates	-50%	9.413	19%

Trend Information

30 June 2015

	Current Valuation Date 30 June 2015	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Present value of obligation as at the previous valuation date	R 7 884 573	R 9 574 000	R 10 462 000	R 10 866 288
Current Service Cost	R 710 788	R 937 000	R 970 282	R 1 008 694
Interest Cost	R 579 949	R 872 000	R 784 006	R 1 094 037
Benefits Paid (Estimated)	R -1 039 000	R -921 000	R -1 350 000	R -792 000
Actuarial Loss / (Gain)	R 1 437 690	R -	R -	R -
Present value of obligation as at the current valuation date	**R 9 574 000**	**R 10 462 000**	**R 10 866 288**	**R 12 177 019**

30 June 2014

	30/06/2011	30/06/2012	30/06/2013	30/06/2014
Present value of obligation	R 5 948 840	R 6 167 557	R 7 526 107	R 7 884 573
Fair value of plan assets	R -	R -	R -	R -
Present value of obligation in excess of plan assets	**R -5 948 840**	**R -6 167 557**	**R -7 526 107**	**R -7 884 573**
Experience adjustments (Actuarial (gain) and losses before change in assumptions):				
- In respect of present value of obligation	R -	R -	R 497 476	R 531 426
- In respect of fair value of plan assets	R -	R -	R -	R -

The Municipality expects to pay R 921 000 in benefit payments in the 2015/2016 financial year.

The valuation was performed by ZAQEN Actuaries (Pty) Ltd t/a ZAQ Consultants and Actuaries
ZAQEN Actuaries (Pty) Ltd t/a ZAQ Consultants and Actuaries is not affiliated to the Municipality.
The full actuarial valuation report is available on request.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

6. Retirement Benefit Obligations

Post-Retirement Medical Aid Plan

The Municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover.
Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death-in-service, or death-in-retirement, the surviving dependants may continue membership of the medical scheme.

Eligible employees will receive a post-employment subsidy of 60% of the contribution payable should they be a member of a medical scheme at retirement and if they were aged 55 or older on 1 January 2005.

The subsidy will be 50% for those in-service members who were aged between 50 and 55 on 1 January 2005. Other in-service members do not qualify for the post-employment subsidy.

If an employee chooses to take early retirement, he or she must be at least 55 years of age at the time of retirement and have at least 25 continuous years' service, provided they are eligible as as at 1 January 2005, as per above.

The total in-service employees belonging to Medical Schemes as at 30 June 2014 were 7 and the total continuation employees receiving the medical benefit as at 30 June 2014 were 71.

The amounts recognised on the Statement of Financial Position are as follows:

Present value of obligations	28 855 000	34 056 268
Fair value of plan assets	-	-
Unrecognised Past Service cost	-	-
Unrecognised actuarial (gains)/losses	-	-
Liability Recognised in Balance Sheet	**28 855 000**	**34 056 268**

Movement in the Defined Benefit Obligation recognised in the Statement of Financial Position:

Previous opening liability	34 056 268	34 592 500
Current service cost	131 320	205 127
Interest cost	2 782 479	2 605 133
Actual benefits paid	(2 095 848)	(1 918 893)
Actuarial loss / (gain)	(6 019 219)	(1 427 599)
Closing Balance	**28 855 000**	**34 056 268**

The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	131 320	205 127
Interest cost	2 782 479	2 605 133
Actuarial loss / (gain) recognised	(6 019 219)	(1 427 599)
Total included in income statement	**(3 105 420)**	**1 382 661**

Key Financial Assumptions Used

Discount Rate	Yield Curve	8.42%
CPI (Consumer Price Inflation)	Difference between nominal and real yield curve	6.24%
Normal Salary Increase Rate	Equal to CPI +1%	7.74%
Net Effective Discount Rate	Yield Curve Based	0.63%

30 June 2015
The nominal and real zero curves as at 30 June 2015 supplied by the Johannesburg (JSE) were used to determine the discounted rates and CPI assumptions at each relevant time period.

30 June 2014
The discount rate was determined by deducing from the Johannesburg Stock Exchange (JSE) Zero Coupon bond yield after the market closed at the reporting date for 30 June 2014.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

6. Retirement Benefit Obligations (Continued)
Key Demographic Assumptions Used

Average retirement age :		
Males	65	63
Females	65	60
Mortality during employment	SA 85 - 90	SA 85 - 90
Withdrawal from service (sample annual rates) :		

30 June 2015

Age Band	Males	Females
20 - 24	16%	24%
25 - 29	12%	18%
30 - 34	10%	15%
35 - 39	8%	10%
40 - 44	6%	6%
45 - 49	4%	4%
50 - 54	2%	2%
55 - 59	1%	1%
60 +	0%	0%

30 June 2014

Age Band	Males	Females
20	16%	24%
30	10%	15%
40	6%	6%
50	2%	2%
55	0%	0%

Sensitivity Analysis

30 June 2015

Mortality rate

	-20% Mortality rate	Valuation Assumption	+20% Mortality rate
Total Accrued Liability	R 31 028 000	R 28 855 000	R 27 065 000
Interest Cost	R 2 741 000	R 2 542 000	R 2 378 000
Service Cost	R 57 000	R 53 000	R 50 000

Medical aid inflation

	-1% Normal Salary Inflation	Valuation Assumption	+1% Normal Salary Inflation
Total Accrued Liability	R 27 790 000	R 28 855 000	R 29 723 000
Interest Cost	R 2 444 000	R 2 542 000	R 2 621 000
Service Cost	R 50 000	R 53 000	R 56 000

30 June 2014

Assumption	Change	In-service	Continuation	Total	% Change
Central assumptions		5.811	28.245	34.056	
Healthcare inflation	1%	6.538	31.366	37.904	11%
	-1%	5.191	25.563	30.754	-10%
Discount rate	1%	5.199	25.600	30.799	-10%
	-1%	6.540	31.378	37.918	11%
Post-retirement mortality	-1 yr	6.031	29.424	35.455	4%
Average retirement age	-1 yr	6.056	28.245	34.301	1%
Continuation of membership at retirement	-10%	4.309	28.245	32.554	-4%

Notes to the Financial Statements

	2015	2014 Restated
	R	R

6. Retirement Benefit Obligations (Continued)

Trend Information

30 June 2015

	Current Valuation Date 30 June 2015	1 Year Following the Valuation Date	2 Years Following the Valuation Date	3 Years Following the Valuation Date
Present value of obligation as at the previous valuation date	R 34 056 268	R 28 855 000	R 29 152 000	R 29 531 000
Current Service Cost	R 131 320	R 53 000	R 58 000	R 63 000
Interest Cost	R 2 782 479	R 2 542 000	R 2 569 000	R 2 603 000
Benefits Paid (Estimated)	R -2 096 000	R -2 298 000	R -2 248 000	R -2 266 000
Actuarial Loss / (Gain)	R -6 019 067	R -	R -	R -
Present value of obligation as at the current valuation date	**R 28 855 000**	**R 29 152 000**	**R 29 531 000**	**R 29 931 000**

30 June 2014

	30/06/2011	30/06/2012	30/06/2013	30/06/2014
Present value of obligation	R 37 688 000	R 32 932 000	R 34 593 000	R 34 056 000
Fair value of plan assets	R -	R -	R -	R -
Present value of obligation in excess of plan assets	**R -37 688 000**	**R -32 932 000**	**R -34 593 000**	**R -34 056 000**
Experience adjustments (Actuarial (gain) and losses before change in assumptions):				
- In respect of present value of obligation	R -	R -	R -692 000	R -1 462 000
- In respect of fair value of plan assets	R -	R -	R -	R -

The Municipality expects to pay R 2 298 000 to its post-retirement medical aid plan in 2015/2016.

The valuation was performed by ZAQEN Actuaries (Pty) Ltd t/a ZAQ Consultants and Actuaries
ZAQEN Actuaries (Pty) Ltd t/a ZAQ Consultants and Actuaries is not affiliated to the Municipality.
The full actuarial valuation report is available on request.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

7. Trade and Other Payables from Exchange Transactions

Trade Creditors	22 413 891	4 873 223
Creditors - Accruals	90 411 733	48 003 759
Retentions	14 008 334	11 243 267
Creditors - Operating Leases	-	-
Unidentified Deposits in Primary Bank Account	1 719 403	2 857 807
Deposits : Other	2 857 321	2 193 260
Other Creditors	90 169	160 245
Employee Benefits - Leave	12 260 277	10 167 602
Employee Benefits - Bonuses	3 297 772	3 263 928
Payments Received in Advance i.r.o. Service Debtors	14 580 539	12 838 195
	161 639 439	**95 601 285**

Trade Creditors are valued at fair value as creditors are paid 30 days from date of statement.
Trade payables are non-interest-bearing and normally settled on 30-day terms, except retentions that could be settled after 12 months. Payments received in advance are non-interest bearing and normally settled on 30-day terms.
Management policies are in place to ensure that all payables are paid within a reasonable timeframe, as stipulated in the MFMA, to ensure sound financial risk management.

8. Unspent Conditional Grants and Receipts

Municipal Infrastructure Grant (MIG)	-	0
Dept of Housing	15 814 416	17 209 492
Financial Management Grant (FMG)	-	-
Municipal Systems Improvement Grant (MSIG)	-	-
Department of Minerals & Energy (DME)	-	-
Integrated National Electricity Programme (INEP)	-	-
Neighbourhood Development Partnership Grant (NDPG)	-	-
Small Town Rehabilitation (STR)	-	-
Expanded Public Works Programme (EPWP)	-	-
Disaster Recovery Grant (DRG)	122 291	-
Museum Subsidy	-	-
Other Grants	4 673 197	9 473 626
	20 609 904	**26 683 118**

The municipality's application for roll-over of unspent grants, in respect of the Integrated National Electricity Programme Grant (INEP) for 2012/2013 in the amount of R 8 000 000 was not approved by National Treasury. The amount of R 8 000 000 was withheld from the Equitable Share Allocation for the 2013/2014 financial year.
The unspent funds, as indicated above, was as a result of difficulties experienced with appointed contractors and from funds remaining on Low Cost Housing Projects that have been completed.

9. VAT Receivable

	1 903 622	**2 694 095**

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

Notes to the Financial Statements

10. PROPERTY, PLANT AND EQUIPMENT

30 June 2015

Reconciliation of Carrying Value	Infrastructure	Community	Other	Land	Leased Assets	Total
	R	R	R	R		R
Carrying values at 1 July 2014	**616 976 069**	**117 220 059**	**97 699 476**	**33 995 000**	**161 797**	**866 052 400**
Cost	1 304 173 123	245 299 886	221 319 354	33 995 000	335 442	1 805 122 804
Capital under Construction	47 624 722	20 021 166	-	-	-	67 645 888
Accumulated impairment	(880 092)	(558 388)	(856 087)	-	-	(2 294 567)
Accumulated depreciation	(733 941 685)	(147 542 605)	(122 763 790)	-	(173 645)	(1 004 421 726)
Acquisitions	99 706 163	9 341 856	9 148 358	2 180 000	-	120 376 376
Capital under Construction	20 386 316	4 754 425	335 139	-	-	25 475 881
Depreciation	(31 967 058)	(8 606 953)	(13 017 183)	-	(67 088)	(53 658 281)
Impairment	(2 186 259)	(521 478)	(1 268 102)	-	-	(3 975 839)
Carrying value of disposals	(982 145)	-	(503 343)	-	-	(1 485 488)
Cost/revaluation	(2 151 950)	-	(1 177 783)	-	-	(3 329 733)
Accumulated depreciation	1 169 805	-	674 440	-	-	1 844 245
Carrying values at 30 June 2015	**701 933 086**	**122 187 909**	**92 394 346**	**36 175 000**	**94 708**	**952 785 049**
Cost	1 401 727 336	254 641 741	229 289 928	36 175 000	335 442	1 922 169 448
Capital under Construction	68 011 038	24 775 591	335 139	-	-	93 121 769
Accumulated impairment	(3 066 350)	(1 079 866)	(2 124 189)	-	-	(6 270 405)
Accumulated depreciation	(764 738 938)	(156 149 558)	(135 106 533)	-	(240 734)	(1 056 235 762)

Notes to the Financial Statements

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

30 June 2014

Reconciliation of Carrying Value	Infrastructure	Community	Other	Land	Leased Assets	Total
	R	R	R	R		R
Carrying values at 1 July 2013	**592 207 584**	**84 906 838**	**101 681 922**	**31 695 000**	**248 600**	**810 739 943**
Cost	1 211 890 707	217 846 250	208 501 490	31 695 000	364 705	1 670 298 153
Capital under Construction - Cost	76 505 770	7 004 563	8 735 926			92 246 259
Accumulated impairment	(1 811 789)	-	(602 400)	-	-	(2 414 189)
Accumulated depreciation	(694 377 105)	(139 943 976)	(114 953 095)	-	(116 105)	(949 390 281)
Acquisitions	92 282 416	31 224 960	17 483 595	2 300 000	-	143 290 971
Capital under Construction	(28 881 048)	13 016 603	(8 735 926)	-	-	(24 600 371)
Depreciation	(39 564 581)	(8 789 185)	(11 184 048)	-	(69 847)	(59 607 661)
Impairment	931 697	(558 388)	(253 687)	-	-	119 622
Carrying value of disposals	-	(2 580 769)	(1 292 379)	-	(16 956)	(3 890 104)
Cost/revaluation	-	(3 771 325)	(4 665 732)	-	(29 263)	(8 466 320)
Accumulated depreciation	-	1 190 556	3 373 353	-	12 307	4 576 216
Carrying values at 30 June 2014	**616 976 069**	**117 220 059**	**97 699 476**	**33 995 000**	**161 797**	**866 052 400**
Cost	1 304 173 123	245 299 886	221 319 354	33 995 000	335 442	1 805 122 804
Capital under Construction - Cost	47 624 722	20 021 166	-	-	-	67 645 888
Accumulated impairment	(880 092)	(558 388)	(856 087)	-	-	(2 294 567)
Accumulated depreciation	(733 941 685)	(147 542 605)	(122 763 790)	-	(173 645)	(1 004 421 726)

Refer to Appendix B for more detail on property, plant and equipment.

Notes to the Financial Statements

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Infrastructure Assets

Physical verification and valuation
- New infrastructure assets were physically verified during the 2014/2015 financial year. During this process the asset location, condition and maintenance history was recorded and evaluated.
- All assets were verified and condition assessments done during the year.

Movable Assets

Physical verification and valuation
- All the movable assets have been physically verified during the year. During this process the asset location, condition, description and custodian was recorded and evaluated.
- A 100% verification and condition assessment was done in 2014/2015.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

11. Intangible Assets

30 June 2015

	Opening Balance R	Additions R	Disposals R	Transfers R	Total R
Cost					
Servitudes	26 623	15 000	-	-	41 623
Computer Software	1 989 619	31 617	-	-	2 021 236
Total	**2 016 242**	**46 617**	**-**	**-**	**2 062 859**
Accumulated Amortisation					
Servitudes	-	-	-	-	-
Computer Software	(1 445 137)	(192 698)	-	-	(1 637 835)
Total	**(1 445 137)**	**(192 698)**	**-**	**-**	**(1 637 835)**
Carrying Value	**571 105**	**(146 081)**	**-**	**-**	**425 024**

30 June 2014

	Opening Balance R	Additions R	Disposals R	Transfers R	Total
Cost					
Servitudes	26 623	-	-	-	26 623
Computer Software	1 989 619	-	-	-	1 989 619
Total	**2 016 242**	**-**	**-**	**-**	**2 016 242**
Accumulated Amortisation					
Servitudes	-	-	-	-	-
Computer Software	(1 077 171)	(367 966)	-	-	(1 445 137)
Total	**(1 077 171)**	**(367 966)**	**-**	**-**	**(1 445 137)**
Carrying Value	**939 071**	**(367 966)**	**-**	**-**	**571 105**

Physical verification and valuation:
- All the Intangible assets have been verified during the 2014/2015 financial year. During this process the asset location and description was recorded and evaluated.

Intangible assets disclosed relate to servitudes registered by the municipality. The balance of the servitudes are disclosed in Property, Plant and Equipment. It has been the policy of this municipality to capitalise servitudes to projects which are currently disclosed as Infrastructure costs.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

12. Investment Properties

30 June 2015

	Opening Balance	Additions	Fair Value Adjustment / Impairment	Transfers / Disposals	Total
	R	R	R	R	R
Cost	82 830 000	-	(655 000)	(54 000)	82 121 000
Total	**82 830 000**	**-**	**(655 000)**	**(54 000)**	**82 121 000**
Accumulated Depreciation	-	-	-	-	-
Total	-	-	-	-	-
Carrying Value	**82 830 000**	**-**	**(655 000)**	**(54 000)**	**82 121 000**

30 June 2014

	Opening Balance	Additions	Fair Value Adjustment / Impairment	Transfers / Disposals	Total
	R	R	R	R	R
Cost	79 776 000	3 195 000	839 000	(980 000)	82 830 000
Total	**79 776 000**	**3 195 000**	**839 000**	**(980 000)**	**82 830 000**
Accumulated Depreciation	-	-	-	-	-
Total	-	-	-	-	-
Carrying Value	**79 776 000**	**3 195 000**	**839 000**	**(980 000)**	**82 830 000**

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

The fair value of the above properties is R 85 962 000 (2014: R 85 711 000). Investment properties have been valued in accordance with the new municipal valuation roll which became effective on 1 July 2013 and has been adjusted to take into account current market conditions.

The last effective date of the fair value adjustments was June 2015. The valuations were performed by the Municipal Valuer. The valuation was based on the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The municipal valuer has extensive experience in the location and category of investment property valued.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

13. Heritage Assets

30 June 2015

	Opening Balance	Additions	Disposals	Transfers	Total
	R	R	R	R	R
Cost					
Buildings	15 277 000		-	-	15 277 000
Other	25 512		-	-	25 512
Total	**15 302 512**	-	-	-	**15 302 512**
Accumulated Amortisation					
Buildings	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
Carrying Value	**15 302 512**	-	-	-	**15 302 512**

30 June 2014

	Opening Balance	Additions	Disposals	Transfers	Total
	R	R	R	R	
Cost					
Buildings	15 277 000	-	-	-	15 277 000
Other	25 512	-	-	-	25 512
Total	**15 302 512**	-	-	-	**15 302 512**
Accumulated Amortisation					
Buildings	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
Carrying Value	**15 302 512**	-	-	-	**15 302 512**

The Municipality accounts for Heritage Assets under GRAP 103 (fair value model).

The Municipality previously applied the principles in GRAP 17 to recognise Heritage Assets and to measure the Heritage Assets in accordance with the measurement principles of GRAP 17.

The difference in the measurement principles in GRAP 17 vs GRAP 103 represent a change in accounting policy and has been accounted for retrospectively in terms of GRAP 3.

The fair value of Heritage Assets have been valued in accordance with the new municipal valuation roll in terms of buildings, which became effective on 1 July 2013 and has been adjusted to take into account current conditions.

The last effective date of the fair value adjustments was June 2015. The valuations were performed by the Municipal Valuer.

Notes to the Financial Statements

	2015	2014 Restated
	R	R
14. Investments	-	-
Long-Term Investments		
Short-Term Investments	6 224 363	-
- ABSA	-	-
- First National Bank	-	-
- Investec	-	-
- Ithala	9 219 478	26 346 179
- Nedbank	23 232 089	-
- Standard Bank	**38 675 930**	**26 346 179**
15. Non-current Receivables from Exchange Transactions	17 409	19 010
State Housing Selling Schemes	-	-
Staff Housing Loans	17 409	19 010
	(1 400)	(1 400)
Less : Current portion transferred to current receivables	**16 009**	**17 610**
16. Inventories	1 648 000	4 604 000
Unsold properties held for resale	10 542 592	11 595 224
Consumable Stores	1 327 131	419 424
Inventory Assets	**13 517 722**	**16 618 648**

Notes to the Financial Statements

	2015 R	2014 Restated R

17. Trade and Other Receivables from Exchange Transactions

As at 30 June 2015	Gross Balances	Provision for Bad Debts	Net Balance
Electricity	31 093 618	(6 319 926)	24 773 691
Refuse	11 239 394	(10 243 999)	995 395
Housing Debtors	1 105 839	(1 068 015)	37 824
	43 438 851	**(17 631 940)**	**26 806 911**

As at 30 June 2014			
Electricity	29 044 610	(7 446 417)	21 598 194
Refuse	7 073 644	(6 155 377)	918 267
Housing Debtors	1 063 967	(1 062 617)	1 351
	37 182 222	**(14 664 410)**	**22 517 812**

Electricity : Ageing		
Current (0 - 30 days)	18 751 822	18 341 488
31 - 60 Days	3 300 465	3 133 960
61 - 90 Days	463 389	454 383
91 - 120 Days	268 937	430 567
121+ Days	6 205 140	6 684 214
	28 989 764	**29 044 610**

Refuse : Ageing		
Current (0 - 30 days)	19 945	(4 846)
31 - 60 Days	620 952	457 362
61 - 90 Days	499 026	338 317
91 - 120 Days	481 300	323 484
121+ Days	9 618 170	5 959 327
	11 239 394	**7 073 644**

Reconciliation of the doubtful debt provision

Balance at beginning of the year	14 664 410	12 108 501
Contributions to provision	7 170 008	5 733 304
Additional provision for impairment	-	-
Doubtful debts written off against provision	(4 202 478)	(3 177 395)
Reversal of provision	-	-
	17 631 940	**14 664 410**

Trade and other receivables from exchange transactions impaired

As of 30 June 2015, trade and other receivables of R 22 563 220 (2014: R 18 845 580) were impaired and provided for.
The amount of the provision was R 17 631 940 as at 30 June 2015 (2014: R 14 664 410).
The ageing of these receivables is as follows:

31 - 60 Days	2 604 359	2 578 087
61 - 90 Days	741 692	610 321
91 - 120 Days	605 471	580 854
121+ Days	13 680 419	10 895 148
	17 631 940	**14 664 410**

The fair value of trade and other receivables from exchange transactions approximates their carrying amounts.

Debtors are individually evaluated annually at balance sheet date for impairment. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment, where applicable.
Evaluation of impairment includes all debt passed 30 days, and considers past and current payment patterns.

Notes to the Financial Statements

	2015 R	2014 Restated R

18. Other Receivables from Non-Exchange Transactions

	Gross Balances	Provision for Bad Debts	Net Balance
As at 30 June 2016			
Rates	117 135 176	(79 802 151)	37 333 025
Vat Service Debtors	5 857 766	-	5 857 766
Service Debtors - Conversion Debt	-	-	-
Legal Fees - Debtors	764 491	(740 771)	23 720
Credit Control Costs - Debtors	408 557	(281 431)	127 126
Traffic Fines	24 572 748	(10 885 727)	13 687 021
Sundry Debtors	18 141 255	(3 196 801)	14 944 454
	166 879 993	**(94 906 882)**	**71 973 112**
As at 30 June 2014			
Rates	94 888 261	(68 463 558)	26 424 703
Vat Service Debtors	5 363 545	-	5 363 545
Service Debtors - Conversion Debt	3 693	(3 693)	-
Legal Fees - Debtors	1 109 340	(1 034 077)	75 262
Credit Control Costs - Debtors	304 385	(139 162)	165 223
Traffic Fines	19 983 543	(8 882 685)	11 100 858
Sundry Debtors	12 709 788	(3 437 577)	9 272 211
	134 362 666	**(81 960 753)**	**52 401 802**

Rates : Ageing		
Current (0 - 30 days)	221 922	(84 878)
31 - 60 Days	4 321 844	3 593 162
61 - 90 Days	3 062 688	2 611 840
91 - 120 Days	2 833 971	2 751 732
121+ Days	106 694 751	86 016 404
	117 135 176	**94 888 261**

Reconciliation of the doubtful debt provision

Balance at beginning of the year	81 960 753	78 881 658
Contributions to provision	14 987 832	10 695 895
Doubtful debts written off against provision	(2 041 703)	(7 616 800)
Reversal of provision	-	-
	94 906 882	**81 960 753**

Trade and other receivables from non-exchange transactions impaired

As of 30 June 2015, trade and other receivables of R 121 132 257 (2014: R 99 587 649) were impaired and provided for.
The amount of the provision was R 94 906 882 as at 30 June 2015 (2014: R 81 960 753).
The ageing of these receivables is as follows:

31 - 60 Days	2 847 239	2 470 193
61 - 90 Days	2 017 704	1 795 563
91 - 120 Days	1 867 025	1 891 734
121+ Days	88 174 914	75 803 263
	94 906 882	**81 960 753**

The fair value of trade and other receivables from non-exchange transactions approximates their carrying amounts.

All Debtors with the exclusion of Vat Service Debtors are individually evaluated annually at balance sheet date for impairment. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment, where applicable. Evaluation of impairment includes all debt passed 30 days, and considers past and current payment patterns, where applicable.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

19. Call Investment Deposits

The Municipality has the following call investment bank accounts :-

General Call Account		
ABSA Bank - Public Sector Banking		
Account Number 9207051716	45 747 837	22 800 947
Bank statement balance at end of year		
Department of Housing Grants Call Account		
ABSA Bank - Public Sector Banking		
Account Number 9207052314	16 585 642	17 676 058
Bank statement balance at end of year		
Grant Funds Call Account		
ABSA Bank - Public Sector Banking		
Account Number 9207054081	17 888 628	12 847 763
Bank statement balance at end of year		
Aloe and Berg Tea Call Account		
ABSA Bank - Public Sector Banking		
Account Number 9207054934	-	36 494
Bank statement balance at end of year (Account Closed on 09/09/2014)		
Capital Replacement Reserve Call Account		
ABSA Bank - Public Sector Banking		
Account Number 9216278799	-	3 109 402
Bank statement balance at end of year (Account Closed on 09/09/2014)		
Small Town Rehabilitation Grant Call Account		
ABSA Bank - Public Sector Banking		
Account Number 9236394943	1 000	1 000
Bank statement balance at end of year		
Ladysmith Black Mambazo Call Account		
ABSA Bank - Public Sector Banking		
Account Number 236410696	2 162 798	2 069 408
Bank statement balance at end of year		
Self-Insurance Fund Call Account		
ABSA Bank - Public Sector Banking		
Account Number 9261267674	10 776 124	3 704 982
Bank statement balance at end of year		
Neighbourhood Development Partnership Grant Call Account		
ABSA Bank - Public Sector Banking		
Account Number 9265577031	1 669 793	1 000
Bank statement balance at end of year		
Housing Operating Call Account		
ABSA Bank - Public Sector Banking		
Account Number 9274469611	20 859 500	18 821 593
Bank statement balance at end of year		
Housing Capacity Fund Call Account		
ABSA Bank - Public Sector Banking		
Account Number 9285122301	168 835	608 499
Bank statement balance at end of year		
Disaster Recovery Grant Call Account		
ABSA Bank - Public Sector Banking		
Account Number 9305740716	27 478 219	-
Bank statement balance at end of year		
	143 338 377	**81 677 144**

Notes to the Financial Statements

	2015	2014 Restated
	R	R

20. Cash and Cash Equivalents

The Municipality has the following bank account :-

Current Account (Primary Bank Account)

ABSA Bank - Public Sector Banking
Account Number 4071756088

Cash book balance at beginning of year	13 205 998	(29 314 433)
Cash book balance at end of year	8 679 987	13 205 998
Bank statement balance at beginning of year	24 851 512	13 278 136
Bank statement balance at end of year	19 626 477	24 851 512

Guarantee Held on Primary Account

The Municipality has a guarantee of R120 000 held in favour of The South African Post Office.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

21. Property Rates

Actual	62 963 820	59 128 676
Residential	888 258	-
Bed and Breakfast Establishments	30 277 545	27 987 628
Industrial / Commercial / Business	2 658 218	2 457 202
Agriculture	-	-
Public Service Infrastructure	6 056 215	6 013 214
Vacant Land	-	-
Rural Residential	1 036 280	955 656
Game Hunting / Eco-Tourism	-	-
Municipal Domestic	23 421 967	21 121 028
State	-	-
Land Reform < 10 Years	-	-
Non Profit Organisations	-	-
Religious	3 603 765	3 335 421
Industrial Estate Serviced By Agent	447 542	414 217
Industrial Estate Serviced By Owner	-	-
Ingonyama Trust	-	-
Municipal Vacant Land	-	-
Public Open Spaces		
Total Assessment Rates	**131 353 609**	**121 413 041**

	R'000	R'000
Valuations	6 335 952	6 341 409
Residential	-	-
Bed and Breakfast Establishments	1 536 271	1 496 861
Industrial / Commercial / Business	976 863	984 913
Agriculture	15 860	13 078
Public Service Infrastructure	140 660	142 033
Vacant Land	302 355	302 345
Rural Residential	126 360	125 780
Game Hunting / Eco-Tourism	188 841	153 431
Municipal Domestic	1 182 277	1 165 947
State	125 670	124 730
Land Reform < 10 Years	60 517	59 907
Non Profit Organisations	186 640	174 431
Religious	317 729	317 729
Industrial Estate Serviced By Agent	39 470	39 470
Industrial Estate Serviced By Owner	18 440	18 440
Ingonyama Trust	110 595	114 746
Municipal Vacant Land	6 153	6 153
Public Open Spaces	-	11
Other		
Total Property Valuations	**11 670 653**	**11 681 414**

Valuation on land and buildings is performed every five years. The last valuation came into effect on 1 July 2013. Supplementary valuations are processed on a ad-hoc basis to take into account changes in individual property values due to change in use, alterations, consolidations and subdivisions.

The following property allocation factors are applied to the various categories of property to determine assessment rates less the impermissible valuation allowed :

Category	Rate	Impermissible Valuation
Residential	R 0.011020	R 15 000
Bed and Breakfast	R 0.015100	R 15 000
Industrial/Commercial/Business	R 0.019730	R 15 000
Agriculture	R 0.002730	R 15 000
Vacant Land	R 0.045700	R 0
Game Hunting / Eco-Tourism	R 0.008230	R 15 000
State	R 0.020330	R 15 000
Industrial Estate	R 0.011430	R 15 000

Rates are levied on a monthly basis on property owners with the final date of payment being 30 June 2015 (2014: 30 June 2014). Interest at 15.5% and 9% per annum, from outstanding rates up to January 2015 and from February 2015 respectively, (2014: 18%) are levied on outstanding rates as well as a 0% (2014: 10%) collection charge two months after final date of payment.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

22. Service Charges

Sale of electricity	250 606 578	229 196 889
Refuse removal	18 629 388	17 053 881
	269 236 967	**246 250 769**

23. Government Grants and Subsidies

Equitable share	118 419 000	103 249 000
Municipal Infrastructure Grant (MIG)	40 950 000	31 069 804
Dept of Housing	2 324 119	1 894 426
Museum Subsidy	151 000	284 000
Financial Management Grant (FMG)	1 600 000	1 550 000
Municipal Systems Improvement Grant (MSIG)	934 000	890 000
Department of Minerals & Energy (DME)	-	-
Integrated National Electricity Programme (INEP)	7 000 000	-
Neighbourhood Development Programme (NDPG)	17 903 000	13 000 465
Small Town Rehabilitation (STR)	-	3 597 753
Expanded Public Works Programme (EPWP)	4 032 000	2 729 000
Disaster Recovery Grant (DRG)	31 223 709	-
Other Grants	13 382 057	17 395 906
	237 918 886	**175 660 355**

23.1 Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents and automatic indigents, whose Property Valuation is R 80 000 and less (2014 : R 110 000 and less), receive a 100% credit for their Property Rates and their monthly services account.

23.2 Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of year	0	-15 513
Balance overspent at beginning of year (Debtor Raised)	-	-4 955 196
Transfer amount from Other Grants Incorrectly Disclosed	(0)	15 513
Current year receipts	40 950 000	36 025 000
Conditions met - transferred to revenue (Other)	(40 950 000)	-31 069 804
Funds not yet received - spending in advance (Debtor Raised)	-	-
Conditions still to be met - transferred to liabilities	-	0

This grant was used to construct roads and bridges, sportsfields, community halls and streetlighting as part of the upgrading of informal settlement areas (included in the votes in Appendix B). No funds have been withheld.

23.3 Department of Housing

Balance unspent at beginning of year	17 209 492	17 589 176
Current year receipts	929 044	1 514 742
Conditions met - transferred to revenue	(2 324 119)	(1 894 426)
Conditions still to be met - transferred to liabilities	**16 814 416**	**17 209 492**

This grant was used to construct houses as part of the upgrading of informal settlement areas.

23.4 Museum subsidy

Balance unspent at beginning of year	-	-
Current year receipts	151 000	284 000
Conditions met - transferred to revenue	(151 000)	(284 000)
Conditions still to be met - transferred to liabilities	-	-

This grant was used to subsidise expenses incurred solely for the museums.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

23. Government Grants and Subsidies (Continued)

23.5 Financial Management Grant (FMG)

Balance unspent at beginning of year	-	-
Current year receipts	1 600 000	1 550 000
Conditions met - transferred to revenue	(1 600 000)	(1 550 000)
Conditions still to be met - transferred to liabilities	-	-

This grant was used for Interns' salaries to advance the implementation of the MFMA, training of officials to meet the minimum competency requirements, and for Asset Management and Financial System enhancements and training.

23.6 Municipal Systems Improvement Grant (MSIG)

Balance unspent at beginning of year	-	-
Current year receipts	934 000	890 000
Conditions met - transferred to revenue	(934 000)	(890 000)
Conditions still to be met - transferred to liabilities	-	-

This grant was used for systems to comply with the MPRA and Audit Outcomes i.t.o. GRAP.

23.7 Department of Minerals and Energy Grant (DME)

Balance unspent at beginning of year	-	(46 684)
Balance overspent at beginning of year (Debtor Raised)	-	-
Transfer amount from Other Grants Incorrectly Disclosed	-	46 684
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	-	-

This grant was used for electricity connections to households in various areas.

23.8 Integrated National Electricity Programme Grant (INEP)

Balance unspent at beginning of year	-	46 684
Transfer amount from Other Grants Incorrectly Disclosed	-	(46 684)
Current year receipts	7 000 000	-
Conditions met - transferred to revenue	(7 000 000)	-
Conditions still to be met - transferred to liabilities	-	-

This grant was used for electricity connections to households in various areas.

23.9 Neighbourhood Development Partnership Grant (NDPG)

Balance unspent at beginning of year	-	157 465
Current year receipts	17 903 000	12 843 000
Conditions met - transferred to revenue	(17 903 000)	(13 000 465)
Conditions still to be met - transferred to liabilities	-	-

This grant is used for the upgrading of rural areas in terms of infrastructure development which includes streetlighting, pavements, taxi ranks, bridges, etc.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

23. Government Grants and Subsidies (Continued)

23.10 Small Town Rehabilitation Programme Grant (STRP)

Balance unspent at beginning of year	-	-
Balance overspent at beginning of year (Debtor Raised)	-	(402 247)
Current year receipts	-	4 000 000
Conditions met - transferred to revenue	-	(3 597 753)
Funds not yet received - spending in advance (Debtor Raised)	-	-
Conditions still to be met - transferred to liabilities	-	-

This grant was used for the upgrading of the CBD roads, town beautification, sidewalks, parks and informal trader shelters.

23.11 Expanded Public Works Program Grant (EPWP)

Balance unspent at beginning of year	-	-
Current year receipts	4 032 000	2 729 000
Conditions met - transferred to revenue	(4 032 000)	(2 729 000)
Conditions still to be met - transferred to liabilities	-	-

The Expanded Public Works Programme is a government programme aimed at the alleviation of poverty and unemployment. This programme ensures the full engagement on Labour Intensive Methods of Construction to workers for skills development.

23.12 Disaster Recovery Grant (DRG)

Balance unspent at beginning of year	-	-
Current year receipts	31 346 000	-
Conditions met - transferred to revenue	(31 223 709)	-
Conditions still to be met - transferred to liabilities	122 291	-

The Disaster Recovery Grant is received for storm damages that occurred in the Municipal Area to repair bridges, roads and electrical infrastructure

23.13 Other Grants

Balance unspent at beginning of year	9 473 626	18 138 229
Transfer amount to MIG Incorrectly disclosed	0	(15 513)
Current year receipts	8 581 628	8 746 815
Conditions met - transferred to revenue (Other)	(13 382 057)	(17 395 906)
Conditions still to be met - transferred to liabilities	4 673 197	9 473 626

23.14 Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, (Act 1 of 2005), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

24. Employee Related Costs

Employee related costs - Salaries and Allowances	120 864 340	109 410 805
Employee related costs - Contributions for UIF, pensions, medical aids and group life	26 378 116	23 694 196
Travel allowances	10 035 753	8 574 533
Housing benefits and allowances	614 009	494 102
Overtime & standby payments	6 869 584	7 596 043
Job Creation	16 276 698	29 167 803
Less : Employee costs to Property, Plant and Equipment and other expenses	(22 058 150)	(19 366 522)
	158 980 361	**159 570 959**

There were no advances or loans to employees.

Remuneration of Municipal Manager : Mr M P Khathide		
Salaries	1 251 052	1 100 825
Allowances - Subsistence & Travelling	120 429	113 307
Performance Bonus	99 074	77 276
	1 470 555	**1 291 408**

Mr M P Khathide was appointed in the post of Municipal Manager on 1 November 2012.

Remuneration of the Chief Financial Officer : Mr M Hloba		
Salaries	869 197	-
Allowances - Subsistence & Travelling	40 712	-
Performance Bonus	-	-
	909 909	**-**

Mr M Hloba was appointed in the post of Chief Financial Officer on 1 August 2014.

Remuneration of the Chief Financial Officer : Mrs I Gajadhur (Acting)		
Salaries	32 949	92 563
Allowances - Acting and Travel	19 476	61 182
Municipality's Contributions - Pension and Medical Aid	8 440	24 189
	60 866	**177 933**

Mrs I Gajadhur was appointed to act in the post of Chief Financial Officer on 1 April 2014 to 31 July 2014.

Remuneration of the Chief Financial Officer : Mr R A Jhetam (Acting)		
Salaries	-	387 038
Allowances - Salary, Acting, Travel and Subsistence and Travelling	-	314 693
Municipality's Contributions - Pension and Medical Aid	-	99 494
	-	**801 226**

Mr R A Jhetam was appointed to act in the post of Chief Financial Officer on 1 December 2012 to 31 March 2014.

Remuneration of the Executive Manager: Corporate Services : Ms SS Ngiba		
Salaries	905 930	282 738
Allowances - Subsistence & Travelling	46 887	4 681
Performance Bonus	22 667	-
	976 484	**287 420**

Ms S S Ngiba was appointed in the post of Executive Manager: Corporate Services from 1 March 2014.

Remuneration of the Executive Manager: Corporate Services : Mr S D Hlophe (Acting)		
Salaries	-	176 551
Allowances - Acting, Housing, Travel, Standby and Subsistence & Travelling	-	170 329
Municipality's Contributions - Pension and Medical Aid	-	45 504
	-	**392 384**

Mr S D Hlophe was appointed to act in the post of Executive Manager: Corporate Services from 1 September 2013 to 28 February 2014.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

24. Employee Related Costs (Continued)

Remuneration of the Executive Manager: Corporate Services : Mr S N Kunene		
Salaries	-	151 357
Allowances - Leave Paid and Subsistence & Travelling	-	7 431
Performance Bonus	-	-
	-	158 787

Mr S N Kunene was appointed in the post of Executive Manager: Corporate Services on 1 March 2013 and resigned on 31 August 2013.

Remuneration of the Executive Manager: Community Services : Mr P B B Simelane		
Salaries	992 607	908 140
Allowances - Subsistence & Travelling	21 820	36 180
Performance Bonus	81 732	22 667
	1 096 159	966 986

Mr P B B Simelane was appointed in the post of Executive Manager: Community Services on 1 March 2013.

Remuneration of the Executive Manager: Development, Planning & Human Settlement : Mr P S Mkhize		
Salaries	992 398	908 140
Allowances - Acting and Subsistence & Travelling	101 761	98 339
Performance Bonus	72 651	25 500
	1 166 811	1 031 979

Mr P S Mkhize was appointed in the post of Executive Manager: Development, Planning & Human Settlement on 1 March 2013.

Remuneration of the Executive Manager: Infrastructure & Services : Mr P D Ramsundar (Acting)		
Salaries	134 958	-
Allowances - Acting, Travel, Standby and Subsistence & Travelling	98 032	-
Municipality's Contributions - Pension and Medical Aid	38 765	-
	271 755	-

Mr P D Ramsundar was appointed to act in the post of Executive Manager: Infrastructure & Services from 1 October 2014 to 31 January 2015.

Remuneration of the Executive Manager: Infrastructure & Services : Mr C Geldenhuys (Acting)		
Salaries	233 395	106 715
Allowances - Acting, Travel, Standby and Subsistence & Travelling	204 286	85 787
Municipality's Contributions - Pension and Medical Aid	42 011	19 209
	479 691	211 711

Mr C Geldenhuys was appointed to act in the post of Executive Manager: Infrastructure & Services from 1 April 2014 to 30 September 2014, and for the period 9 February 2015 to 30 April 2015.

Remuneration of the Executive Manager: Infrastructure & Services : Mr S O Hlatshwayo (Acting)		
Salaries	64 354	-
Allowances - Acting, Travel, Standby and Subsistence & Travelling	67 722	-
Municipality's Contributions - Pension and Medical Aid	18 009	-
	150 085	-

Mr S O Hlatshwayo was appointed to act in the post of Executive Manager: Infrastructure & Services from 1 May 2015.

Remuneration of the Executive Manager: Infrastructure & Services : Mr N Mpisi		
Salaries	-	561 403
Allowances - Leave Paid and Subsistence & Travelling	-	53 579
Performance Bonus	-	-
	-	614 981

Mr N Mpisi was appointed in the post of Executive Manager: Infrastructure & Services from 5 August 2013 and resigned on 31 March 2014.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

24. Employee Related Costs (Continued)

Remuneration of the Executive Manager: Infrastructure & Services : Mr A Sompersadh (Acting)

Salaries	-	37 300
Allowances - Acting, Travel, Housing and Subsistence & Travelling	-	42 001
Municipality's Contributions - Pension and Medical Aid	-	11 612
	-	90 913

Mr A Sompersadh was appointed to act in the post of Executive Manager: Infrastructure & Services from 1 September 2012 to 31 July 2013.

Remuneration of the Chief Operations Officer : Mr S E Hlomuka

Salaries	437 972	481 567
Allowances - Travel, Standby and Subsistence & Travelling	265 034	337 620
Municipality's Contributions - Pension and Medical Aid	95 403	104 142
Bonus	40 147	40 050
	838 556	963 380

Mr S E Hlomuka was appointed in the post of Chief Operations Officer on 1 June 2013 and resigned on 30 April 2015.

25. Remuneration of Councillors

Mayor	768 087	725 491
Deputy Mayor	618 641	584 583
Speaker	618 956	584 582
Chief Whip	580 392	548 808
EXCO Committee Members	2 302 533	2 180 383
Councillors	10 648 851	9 885 015
	15 537 461	14 508 862

In-kind Benefits

The Mayor, Deputy Mayor, Speaker, Chief Whip are full-time employees of the Municipality. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor and Deputy Mayor have the use of Council-owned vehicles for official duties.

The Mayor and Deputy Mayor have eight bodyguards at the cost of Council.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

26. Finance Costs

Long-term liabilities	441 300	463 027
Finance Lease Obligations	1 514	3 287
Other interest paid	22 232	2 927
	465 045	**469 241**

27. Bulk Purchases

Electricity	161 419 460	149 064 631
	161 419 460	**149 064 631**

Distribution Losses : Electricity	**30 June 2015 KWh**	**2014 KWh**		
Value of Purchases at Purchase Price	251 750 681	251 477 535	130 910 354	120 709 217
Less : Sales at Purchase Price	(230 370 765)	(228 714 771)	(119 792 798)	(109 783 090)
Total Losses	**21 379 916**	**22 762 764**	**11 117 556**	**10 926 127**
Technical Losses	12 587 534	12 573 877	6 545 518	6 035 461
Non-Technical Losses	8 792 382	10 188 887	4 572 039	4 890 666
Total Losses	**21 379 916**	**22 762 764**	**11 117 556**	**10 926 127**
Percentage of Total Loss	**8.49%**	**9.05%**		

The value of loss is calculated using the bulk purchase price.

28. Grants / Subsidies and Rebates Paid / Allowed

Grants paid to students	356 604	383 426
Grants paid to other	7 985	-
Rates Rebates	770 474	1 687 442
	1 135 063	**2 070 868**

Notes to the Financial Statements

	2015	2014 Restated
	R	R

29. General Expenses

Included in general expenses are the following:

Advertising	1 254 373	879 245
Audit Fees	2 889 861	2 325 292
Bank Charges	388 042	387 572
Bulk Discounts	290 177	36 447
COID - Workmen's Compensation	1 164 907	1 391 953
Commercialisation of Agricultural Projects	251 856	262 825
Conferences & Delegations	1 861 146	2 044 124
Connections for KWh Meters	27 949	25 755
Consultants	4 593 774	9 247 371
Co-operative Development	122 194	107 082
Disconnections & Reconnections	772 966	828 202
Donation of Asset - Eskom 642 Sites	-	7 259 014
Donation of Asset - SANRAL (DOT)	2 189 708	-
Electricity - Municipal Premises	2 678 815	3 058 812
Electricity - Streetlighting	2 075 958	944 108
Emergency Relief Fund	609 341	1 883 856
Entertainment Expenses	193 111	166 658
Events / Programmes	5 308 025	4 892 971
Grant Expenditure - Operational	12 657 515	13 296 436
Grants, Subsidies and Rebates	1 135 063	2 070 868
Insurance	2 836 596	3 870 414
Leave Provision	5 201 261	5 100 144
Legal Expenses	241 366	808 961
Licence Fees	679 681	538 747
Local Economic Development	393 202	682 779
Long Service Awards Provision	2 715 212	1 504 665
Materials & Sundries	644 708	901 021
Funeral Assistance	104 795	150 765
Performance Management - Software	111 184	120 000
Postage	1 210 842	1 094 452
Post Retirement Benefits	2 913 799	-
Printing & Stationery	1 991 684	1 956 564
Project Development	200 788	314 519
Protective Clothing	1 250 221	771 010
Public Meetings	207 529	164 114
Rates - Rateable Municipal Premises	215 298	281 934
Refurbishment - NER Requirements	1 615 392	3 982 790
Rent - Buildings / Offices	15 249	50 001
SARS - Skills Development Levy	1 670 937	1 681 847
Security Services	1 051 782	1 268 948
Siyazenzela Project	4 349 450	5 105 873
Software Database - Assets & Credit Control	131 393	595 025
Sport & Recreation	400 707	514 760
Subscriptions & Membership	2 177 871	1 818 144
Swimming Pool Costs	237 716	209 907
Tampered Meters	4 301	86 251
Telephone & Cellphone Costs	3 195 340	3 850 981
Third Party Payments	630 525	479 923
Township Establishment & LUMS	178 401	3 061 724
Trade Mission	75 214	73 034
Training Staff	1 762 628	1 597 315
Valuation Costs	137 336	598 706
Vehicle / Transport Costs	17 480 668	15 209 444
Ward Committees	1 984 623	1 863 056
Water / Sanitation	1 853 728	1 800 301
Youth Development Programme	1 010 809	1 302 334
Other General Expenses	8 562 020	7 122 119
	109 909 033	**121 641 162**

Notes to the Financial Statements

	2015	2014 Restated
	R	R
30. Cash Generated By Operations		
Surplus/(Deficit) for the year	114 263 603	14 396 193
Adjustment for:-		
Adjustments in Respect of Previous Years & Appropriations	3 041 421	3 797 242
Depreciation / Amortisation	53 850 980	60 119 536
(Profit)/Loss on disposal of assets	199 215	2 092 679
Contribution to long service awards provision	1 689 427	358 466
Contribution to performance bonus provision	340 239	159 025
Contribution to landfill site rehabilitation	310 902	1 993 370
Contribution to retirement benefit obligation	(5 201 268)	(536 232)
(Gain)/Loss on fair value adjustment and impairment	4 630 839	(958 622)
Operating surplus before working capital changes:	**173 125 368**	**81 421 667**
(Increase)/decrease in inventories	3 100 925	(4 147 869)
(Increase)/decrease in exchange debtors	(3 289 099)	(151 563)
(Increase)/decrease in non-exchange debtors	(19 571 309)	(7 204 303)
(Increase)/decrease in non-current receivables	1 601	1 576
(Decrease)/increase in unspent conditional grants and receipts	(6 073 214)	(9 186 241)
(Decrease)/increase in creditors	66 038 153	20 582 437
(Decrease)/increase in deposits	1 036 664	106 694
(Increase)/decrease in VAT Receivable	790 473	11 784 772
	216 169 553	**93 207 161**

Notes to the Financial Statements

	2015	2014 Restated
	R	R

31. Unauthorised, Irregular, Fruitless and Wasteful Expenditure

31.1 Unauthorised Expenditure

Opening balance	-	-
Unauthorised expenditure current year	-	-
Approved by council or condoned	-	-
Transfer to receivables for recovery - not condoned	-	-
Unauthorised expenditure awaiting authorisation	-	-

There was no unauthorised expenditure for the financial years ended 30 June 2014 and 30 June 2015.

31.2 Irregular Expenditure

Opening balance	-	7 722 895
Irregular expenditure current year	6 772	46 908
Condoned	(6 772)	(7 769 803)
Transfer to receivables for recovery - not condoned	-	-
Irregular expenditure awaiting authorisation	-	-

Irregular expenditure is related to the non-adherence of Supply Chain Management procedures.

- Non-compliance with the PPPFA Regulation	-	-
- Persons in the service of the state	-	-
- Non-compliance with the SCM Regulations	6 772	46 908
Condoned	(6 772)	(46 908)
	-	-

31.3 Fruitless and Wasteful Expenditure

Opening balance	96 404	89 475
Fruitless and Wasteful expenditure current year	22 232	7 162
Approved by council or condoned	-	-
Recovered	-	(233)
Transfer to receivables for recovery - not condoned	-	-
Fruitless and Wasteful expenditure awaiting authorisation	118 635	96 404

Fruitless and Wasteful expenditure is related to expenditure that was made in vain and would have been avoided had reasonable care been exercised.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

32. Additional Disclosures in Terms of Municipal Finance Management Act

32.1 Contributions to organised local government

Opening balance	-	-
Council subscriptions	2 177 871	1 813 044
Amount paid - current year	(2 177 871)	(1 813 044)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

32.2 Audit Fees

Opening balance	-	-
Current year audit fee	3 247 516	2 691 768
Amount paid - current year	(3 247 516)	(2 691 768)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

32.3 VAT

All VAT returns have been submitted by the due date throughout the year.

32.4 PAYE, SDL and UIF

Opening balance	-	-
Current year payroll deductions	23 842 672	21 923 957
Amount paid - current year	(23 842 672)	(21 923 957)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

32.5 Pension and Medical Aid Deductions

Opening balance	-	-
Current year payroll deductions and Council Contributions	39 185 275	35 610 977
Amount paid - current year	(39 185 275)	(35 610 977)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

32.6 Supply Chain Management Deviations

In terms of Regulation 36 of the Municipal Supply Chain Management Regulations, any deviations from the Supply Chain Management Policy needs to be condoned by the Municipal Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Total amount considered	6 905 623	3 106 303
Total amount condoned	(1 507 285)	(3 106 303)
Deviations awaiting authorisation	5 398 337	-

Council noted the deviations in the amount of R 5 398 337 on 27 August 2015.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

33. Capital Commitments

33.1 Commitments in respect of capital expenditure:

- Approved but not yet contracted for	110 217 839	61 607 536
Infrastructure	20 556 812	12 626 810
Community	23 175 000	7 880 000
Other		
- Approved and contracted for	14 282 161	26 184 274
Infrastructure	43 188	11 594 123
Community	-	562 957
Other		
	168 275 000	**120 456 700**

This expenditure will be financed from:

	-	-
- External Loans	109 147 000	66 806 670
- Government Grants	59 128 000	53 649 030
- Own Resources	**168 275 000**	**120 456 700**

33.2 Operating leases

At the reporting date, outstanding commitments under operating leases fall due as follows:

Operating leases - as lessee

	-	-
Within one year	-	-
In the second to fifth year inclusive	-	-
After five years	-	-

Operating Leases consists of the following:
Operating lease payments represent rentals payable by the municipality for certain of its office properties.
Leases are negotiated for an average term of five years and rentals have an escalation per annum. No contingent rent is payable.

Operating leases - as lessor

Minimum lease payments due		
Within one year	323 492	231 838
In the second to fifth year inclusive	1 023 075	966 467
After five years	1 835 838	324 731
	3 182 406	**1 623 036**

Operating Leases consists of the following:
Certain of the municipality's property is held to provide a service to the community to assist with local economic and social development. Lease agreements are cancellable if agreed by both parties. Most leases have an indefinite term.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

34. Other Income

Included in other income are the following:

Actuarial Gain on Post Retirement Benefits Obligation	6 019 219	1 427 599
Discounts Received	39 046	187 899
Donation of Assets	3 788 666	5 664 656
Fees : Brigade Service	109 375	247 496
Fees : Building Plans	126 438	143 426
Fees ; Burial	142 051	148 870
Fees : Camping	-	8 895
Fees : Hiring	366 123	283 238
Fees : Sewerage Plans	197 052	216 307
Hire : Agra Crescent Hall	86 692	73 871
Hire : Town Hall	46 695	54 394
Legal Fees	152 153	163 304
Notice Processing Cost	637 281	967 612
Rates Clearance Certificates	239 844	248 777
Reconnection Fees : Non Payment	245 151	306 655
Refund Skills Development Levy	365 105	416 087
Rental Income - Housing	412 155	409 116
Rental Income - Sundries	756 229	793 362
Revenue - Third Party Payments	679 514	528 528
Royalty on Stone	401 684	502 513
Sundries	1 033 810	1 160 132
Other	1 904 255	1 359 878
	17 748 636	**15 312 615**

35. Self-Insurance Fund

Opening balance	9 220 454	6 628 548
Contributions / Interest	2 398 018	3 375 984
Insurance Claims processed	(1 012 194)	(784 079)
	10 606 279	**9 220 454**

The Municipality has a Self-Insurance Fund to set aside amounts to offset potential losses or claims, which fall under a stop loss determined and calculated by Council's insurance broker based on the insurance risk carried by the Municipality. The funds are kept in a separate call account and invested on short-term fixed deposits, and the interest earned is credited to the fund.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

36. Retirement Benefit Information

Defined Contribution Plan

The following are defined contribution plans. These are not treated as defined benefit plans as defined by IAS 19, but are accounted for as defined contribution plans. This is in line with the exemption in IAS 19 par.30 which states that where information required for proper defined benefit plan accounting is not available in respect of multi-employer and state plans, these should be accounted for as defined contribution plans. This municipality has been unsuccessful in obtaining the necessary information to support proper defined benefit plan accounting due to restrictions imposed by the multi-employer plan. It is therefore deemed impracticable to obtain this information at a suitable level of detail.

Natal Joint Municipal Pension Fund (Superannuation)
The latest interim actuarial valuation of the NJMP Superannuation Fund as at 31 March 2013 disclosed that the Fund's financial position has improved from the previous statutory valuation. The fund disclosed a deficit of R 158,7 million.
The total rate of contribution by the municipality, including the surcharge, is 31,13% (21,63% plus the surcharge of 9,5%) of pensionable salaries payable for a year of 8 years with effect from 1 August 2012.

Natal Joint Municipal Pension Fund (Retirement)
The latest interim actuarial valuation of the NJMP Retirement Fund (defined benefit) as at 31 March 2013 disclosed a deficit in the fund of R 203,7 million.
The total rate of contribution by the municipality, including the surcharge, is 34,12% (18,37% plus the surcharge of 17,5% less 1,65%) of pensionable salaries for a year of 8 years with effect from 1 August 2012.

Natal Joint Municipal Provident Fund
The latest interim actuarial valuation of the NJMP Provident Fund (defined contribution) as at 31 March 2013 disclosed a surplus in the fund of R 66,5 million.

37. Councillor's Arrear Consumer Accounts

No Councillor(s) had arrear accounts over 90 days during the financial year ending 30 June 2015.

38. Related Parties

38.1 Transactions with Related Parties 1 000 000

Z Xaba - IDP Manager

The above employee is related (aunt) to the owner of NLM Trading & Projects, of which the Municipality conducted business with during the 2013/2014 financial year.

38.2 Key Management Personnel Compensation

Compensation of Key Management Personnel and Councillors is set out in Notes 24 and 25 respectively to the Financial Statements.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

39. Risk Management

Financial Risk Management
The municipality 's activities exposes it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the municipality's financial performance.

Liquidity Risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash Flow forecasts are prepared and utilised borrowing facilities are monitored.

Interest Rate Risk
The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk.

Credit risk
Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

Credit guarantee insurance is purchased when deemed appropriate.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

40. Contingent Liabilities

The Municipality identified the following contingent liabilities:

Claim for Damages

The Municipality was sued for damages to a private vehicle due to potholes in the road. The matter has been referred to Council's Insurers and the outcome is awaited. Case No. 1125/2014	11 367	
The Municipality was sued for damages to a private vehicle due to potholes in the road. The matter has been referred to Council's Insurers and the outcome is awaited. Case No. 1528/2014	8 120	
The Municipality was sued for damages to a private vehicle caused by municipal officials. The matter has been referred to Council's Insurers and the outcome is awaited. Case No. 1166/2014	17 357	
The Municipality was sued for motor vehicle damages. The matter has been referred to Council's Insurers and the outcome is awaited. Case No. 1350/2014	14 000	
The Municipality was sued for damages to Telkom property due to construction work carried out by municipal officials. The matter has been referred to Council's Insurers and the outcome is awaited. Case No. 2242/2014	24 863	
The Municipality has received a claim by the CCMA from a former employee for alleged damages suffered. CCMA Ref. No. KNOB5074/15	1 500 000	
The Municipality has received a claim by the SALGBC from a former employee for alleged damages suffered. Bargaining Council Ref. No. KPD071502	2 500 000	
The municipality was sued for damages in respect of the appointment of a service provider for a 3 year agreement for a Parking Management System in the Ladysmith CBD. However, a task team was formed to negotiate on behalf of Council to settle the dispute out of Court, and to look at the parking tariffs that will be charged, as well as the office space and traffic wardens that will be used. A settlement agreement was finalised and signed by both parties in January 2015. There are no outstanding costs due by the Municipality in this regard as at 30 June 2015. Case No. 5386/2012		15 820 976
	4 075 708	**15 820 976**

41. Budget Information

The budget is approved on an accrual basis by nature and vote classification. The approved budget covers the year from 1 July 2014 to 30 June 2015.

The budget and accounting bases are the same, both are on the accrual basis. The financial statements are prepared using a classification on the nature of income and expenses in the statement of financial performance.

Refer to Appendix C for more detail on budget and actual information with an explanation of material differences between the budget and actual amounts by nature classification.

Notes to the Financial Statements

	2015	2014 Restated
	R	R

42. Correction of Error

42.1 During the year the Municipality conducted a verification and condition assessment on Property, Plant and Equipment, Inventory - Held For Sale and Investment Properties.
During this exercise the municipality found assets that were incorrectly reflected / not reflected on the current register or had been captured incorrectly.

The Municipality rectified this retrospectively.

The cumulative effect on the 2014 Opening Balances are as follows :

Statement of Financial Position	
Property, Plant and Equipment - Other Assets	9 603 399
Property, Plant and Equipment - Community Assets	4 612 526
Property, Plant and Equipment - Land	7 373 000
Inventory Assets	(520 000)
Investment Properties	(3 421 469)
Accumulated Surplus	(17 647 456)

The cumulative effect on the comparative amounts for 2014 are as follows :

Statement of Financial Position	
Property, Plant and Equipment - Other Assets	(2 158 489)
Property, Plant and Equipment - Community Assets	(641 212)
Investment Properties	(1 729 531)
Statement of Financial Performance	
Depreciation	2 799 701
Fair Value Adjustment	1 689 531
(Gain) / Loss on sale/disposal of assets	39 557
Other Income (Proceeds on Disposal of Assets)	443

42.2 The Municipality has implemented GRAP 103, Heritage Assets, and has accounted for these assets retrospectively and as at the end of the reporting period. Heritage assets are measured at fair value subsequent to initial measurement and are not depreciated.

The Municipality previously applied the principles in GRAP 17 to recognise heritage assets and to measure the heritage assets in accordance with the measurement principles of GRAP 17.

The Municipality implemented this retrospectively.

The cumulative effect on the 2014 Opening Balances are as follows :

Statement of Financial Position	
Heritage Assets	18 276
Accumulated Surplus	(18 276)

The cumulative effect on the comparative amounts for 2014 are as follows :

Statement of Financial Position	
Heritage Assets	3 637
Statement of Financial Performance	
Depreciation	(3 637)

Notes to the Financial Statements

	2015	2014 Restated
	R	R

43. Changes in Accounting Policy

43.1 The Municipality has implemented GRAP 100, which is a change in accounting policy in terms of the reclassification of assets previously classified as Inventory Assets - Held for Sale, now classified as Investment Property

The Municipality implemented this retrospectively.

The cumulative effect on the 2014 Opening Balances are as follows :

Statement of Financial Position	
Investment Properties	19 654 000
Inventory Assets	(19 654 000)

There is no effect on the comparative amounts for 2014.

44. Change in Accounting Estimate

The Municipality has assessed the remaining useful lives of property, plant and equipment which resulted in a change of certain asset's remaining useful lives.

The effect of the change in accounting estimate has resulted in a decrease in depreciation amounting to R 9 001 572 for the current period.

45. Key Sources of Estimation Uncertainty and Judgements

The following areas involve a significant degree of estimation uncertainty:

Useful lives and residual values of property, plant, and equipment	952 785 049	866 052 400
Recoverable amounts of property, plant and equipment	16 238 838	15 927 936
Provision for rehabilitation of landfill site (discount rate, no.of years, amount of cash flows)	28 855 000	34 056 268
Present value of post retirement benefit obligation	9 574 000	7 884 573
Present value of long service awards	577 428	513 313
Provision for performance bonus	112 538 821	96 625 163
Provision for doubtful debts	3 975 839	(119 622)
Impairment of assets		

The following areas involved judgements, apart from those involving estimations disclosed above, that management has made in the process of applying the municipality's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

	3 975 839	(119 622)
Impairment of assets	129 355 087	113 066 411
Provisions		

Notes to the Financial Statements

	2015	2014 Restated
	R	R

46. Donated Assets

Assets Received

The Department of Arts and Culture donated computer equipment to the Municipal Libraries. The assets were recognised in Property, Plant and Equipment at fair value, and disclosed under Other Income in the Statement of Financial Performance.		279 173
The Department of Environmental Affairs donated Wimpy Park 2 to the Municipality. The asset was recognised in Property, Plant and Equipment at cost, and disclosed under Other Income in the Statement of Financial Performance.		5 385 483
Ntokozweni Developers donated land to the Municipality. The asset was recognised in Property, Plant and Equipment at cost of R1 210 000, and in Intangible Assets at a cost of R15 000 and disclosed under Other Income in the Statement of Financial Performance.	1 225 000	
The Department of Sports and Recreation donated a park to the Municipality. The asset was recognised in Property, Plant and Equipment at cost of R2 260 227, and disclosed under Other Income in the Statement of Financial Performance.	2 260 267	
A vehicle was donated to the Municipality. The asset was recognised in Property, Plant and Equipment at cost of R 303 399, and disclosed under Other Income in the Statement of Financial Performance.	303 399	

Assets Donated

The Municipality funded the Electrification of Ezakheni 642 Sites in an Eskom serviced area, during the financial year. The assets were handed over to Eskom at the completion of the project, and recognised under General Expenses in the Statement of Financial Performance.		7 259 014
The Municipality funded the Steadville Area H Intersection, which falls within the SANRAL (DOT) area, during the financial year. The asset was handed over to SANRAL (DOT) at the completion of the project, and recognised under General Expenses in the Statement of Financial Performance.	2 189 708	

Emnambithi / Ladysmith Municipality

APPENDIX A

SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2015

EXTERNAL LOANS				Balance at 30 June 2014 R	Received R	Redeemed or Written Off R	Balance at 30 June 2015 R
LONG-TERM LOANS	Interest Rate	Loan Ref.	Redeemable				
Absa Bank - Tsakane Electrification	9.10%	A1	Feb 2026	4 961 135	-	250 698	4 710 438
TOTAL EXTERNAL LOANS				4 961 135	-	250 698	4 710 438

Emnambithi / Ladysmith Municipality

APPENDIX B

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2015

	Cost				Capital Under Construction				Accumulated Depreciation				Impairment			
	Opening Balance	Additions	Disposals / Write-Off / Transfers	Closing Balance	Opening Balance	Additions	Disposals / Write-Off / Transfers	Closing Balance	Opening Balance	Additions	Disposals / Write-Off / Transfers	Closing Balance	Opening Balance	Additions	Closing Balance	Carrying Value
Infrastructure																
Electricity	302 222 756	19 767 449	-2 060 109	319 930 096	19 471 736	14 617 818	-19 471 736	14 617 818	120 496 074	7 573 539	-1 107 569	125 962 044	-	192 134	192 134	207 393 787
Roads	797 297 962	79 438 531	-	876 736 494	27 036 607	44 500 240	-25 048 902	46 487 944	514 095 805	19 696 791	-	533 792 596	874 308	1 999 909	2 874 217	386 557 625
Public Safety	9 613 773	189 280	-91 841	9 711 212	-	-	-	-	4 290 489	640 794	-62 236	4 869 046	5 783	-5 783	-	4 842 166
Solid Waste	17 283 706	310 902	-	17 594 609	1 116 380	2 223 524	-	3 339 904	436 709	-	-	436 709	-	-	-	20 497 804
Stormwater	177 754 926	-	-	177 754 926	-	3 565 372	-	3 565 372	94 622 609	4 055 933	-	98 678 543	-	-	-	82 641 755
	1 304 173 123	99 706 163	-2 151 950	1 401 727 336	47 624 722	64 906 954	-44 520 638	68 011 038	733 941 685	31 967 058	-1 169 805	764 738 938	880 092	2 186 259	3 066 350	701 933 086
Community Assets																
Land & Buildings	159 944 693	1 805 496	-	161 750 189	2 480 674	-	-2 480 674	-	105 663 493	4 481 905	-	110 145 399	-	-	-	51 604 790
Recreation Facilities - Parks	85 355 193	7 536 360	-	92 891 553	17 540 492	12 152 190	-4 917 090	24 775 591	41 879 112	4 125 047	-	46 004 159	558 388	521 478	1 079 866	70 583 119
	245 299 886	9 341 856	-	254 641 741	20 021 166	12 152 190	-7 397 765	24 775 591	147 542 605	8 606 953	-	156 149 558	558 388	521 478	1 079 866	122 187 909
Other Assets																
Land & Buildings	104 668 361	1 103 383	-	105 771 744	-	335 139	-	335 139	75 047 131	2 977 870	-	78 025 001	602 400	-	602 400	27 479 482
Computer Equipment	13 289 539	1 857 756	-160 748	14 986 548	-	-	-	-	6 777 965	2 404 592	-111 582	9 070 975	2 135	-	2 135	5 913 437
Furniture & Office Equipment	14 560 937	1 773 911	-198 513	16 136 334	-	-	-	-	6 275 090	1 815 665	-121 489	7 969 266	6 948	-1 317	5 631	8 161 438
Motor Vehicles	66 688 038	3 935 440	-714 041	69 909 437	-	-	-	-	25 819 443	3 549 128	-369 116	28 999 454	244 462	1 199 998	1 444 460	39 465 522
Plant & Equipment	22 112 480	477 868	-104 481	22 485 866	-	-	-	-	8 844 161	2 269 929	-72 253	11 041 836	142	69 421	69 563	11 374 467
	221 319 354	9 148 358	-1 177 783	229 289 928	-	335 139	-	335 139	122 763 790	13 017 183	-674 440	135 106 533	856 087	1 268 102	2 124 189	92 394 346
Leased Assets																
Office Equipment	335 442	-	-	335 442	-	-	-	-	173 645	67 088	-	240 734	-	-	-	94 708
	335 442	-	-	335 442	-	-	-	-	173 645	67 088	-	240 734	-	-	-	94 708
Land Assets																
Land with Buildings	10 027 000	-	-	10 027 000	-	-	-	-	-	-	-	-	-	-	-	10 027 000
Vacant Land	23 968 000	2 180 000	-	26 148 000	-	-	-	-	-	-	-	-	-	-	-	26 148 000
	33 995 000	2 180 000	-	36 175 000	-	-	-	-	-	-	-	-	-	-	-	36 175 000
Total	1 805 122 804	120 376 376	-3 329 733	1 922 169 448	67 645 888	77 394 283	-51 918 403	93 121 769	1 004 421 726	53 658 281	-1 844 245	1 056 235 762	2 294 567	3 975 839	6 270 405	952 785 049

Emnambithi / Ladysmith Municipality

APPENDIX C

APPROPRIATION STATEMENT AS AT 30 JUNE 2015

REFER TO NOTE 41

Description By Nature	Original Budget R	Budget Adjustments (i.t.o. s28 & s31 of the MFMA R	Virement (i.t.o. Council Approved Policy) R	Final Budget R	Actual R	% Variance R	Explanation of Significant Variances Greater than 10% Actual versus Final Budget
Financial Performance							
Property Rates	132 675 162	130 454 379	-	130 454 379	131 353 609	-0.69%	
Property Rates - Penalties & Collection Charges	7 316 900	11 681 039	-	11 681 039	6 565 330	43.79%	Interest has been capped at the capital amount on outstanding debtors accounts. This was underestimated during the budget process
Services Charges	283 972 376	271 094 825	-	271 094 825	269 235 967	0.69%	
Interest Earned - External Investments	9 000 000	7 000 000	-	7 000 000	8 398 564	-19.98%	Cash flow was monitored to ensure that investments were maximised where surplus funds became available
Interest Earned - Outstanding Debtors	10 291 992	1 801 209	-	1 801 209	1 979 639	-9.91%	
Fines	8 963 670	8 963 670	-	8 963 670	10 564 080	-17.85%	Traffic fines issued during the financial year exceeded the budgeted amount for revenue
Licences and Permits	7 553 300	6 139 823	-	6 139 823	6 251 120	-1.81%	
Transfers and Grants Recognised - Operational	189 116 000	232 839 000	-	232 839 000	236 722 703	-1.67%	
Transfers and Grants Recognised - Low Cost Housing	-	-	-	-	1 196 183	0.00%	
Other Income and Profit on Fair Value Ajustments	23 182 700	18 624 709	-	18 624 709	17 093 536	8.22%	
Total Revenue (Excl. Capital Transfers & Contributions)	672 072 100	688 598 654	-	688 598 654	689 360 731		
Employee Related Costs	173 280 088	179 434 964	-	179 434 964	158 980 351	11.40%	Dealys in filling of permanent posts due to the Change Management Process that needs to be followed.
Remuneration of Councillors	17 922 728	15 750 854	-	15 750 854	15 537 461	1.35%	
Bad Debts	17 416 715	22 224 977	-	22 224 977	22 157 840	0.30%	
Indigency	18 177 038	14 976 667	-	14 976 667	14 898 064	0.52%	
Depreciation and Amortisation Expense	74 215 369	63 128 190	-	63 128 190	53 850 980	14.70%	Change in accounting estimate to extend the useful lives of PPE reflects a reduction in Depreciation
Repairs and Maintenance	37 083 120	35 892 601	-	35 892 601	33 703 842	6.10%	
Finance Costs	482 862	482 862	-	482 862	465 045	3.69%	
Bulk Purchases	164 306 011	165 624 538	-	165 624 538	161 419 460	2.54%	
Impairment Loss	3 053 204	3 053 204	-	3 053 204	3 975 839	-30.22%	The impairment loss was higher than anticipated due to damages incurred on PPE
Loss on Disposal of PPE	-	-	-	-	199 215	0.00%	
Other Expenditure	127 938 881	121 373 315	-	121 373 315	109 909 033	9.45%	Expenditure was closely monitored in terms of cash flow and certain cost cutting measures were implemented
Total Expenditure	633 876 016	621 942 172	-	621 942 172	575 097 128		
Surplus/(Deficit)	38 196 084	66 656 482	-	66 656 482	114 263 603		
Transfers Recognised - Capital	58 150 000	101 999 000	-	101 999 000	106 842 371		
Contributions Recognised - Capital	-	-	-	-	-	-	
Surplus/(Deficit) After Capital Transfers & Contributions	96 346 084	168 655 482	-	168 655 482	221 105 973		
Capital Expenditure and Funds Sources							
Capital Expenditure							
Transfers Recognised - Capital	58 150 000	101 999 000	-	101 999 000	106 842 371	-4.75%	
Public Contributions and Donations	-	-	-	-	-	-	
Borrowing	-	-	-	-	-	-	
Internally Generated Funds	53 649 030	55 924 030		55 924 030	39 056 504	30.16%	On certain projects, delays were experienced with contractors and supply of materials
Total Sources of Capital Funds	111 799 030	157 923 030	-	157 923 030	145 898 874		

Emnambithi / Ladysmith Municipality

APPENDIX D

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Name of Grants	Name of organ of state or municipal entity	Receipts	Expenditure	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act
		30 June 2015	30 June 2015	Yes / No
Corridor Development Grant	COGTA	-4 800 000	8 558 306	Yes
Equitable Share	National Government	-118 419 000	118 419 000	Yes
Provincialisation of Libraries	Dept of Arts & Culture	-3 698 000	3 698 000	Yes
Department of Human Settlement - Housing	Dept of Human Settlement	-	1 196 183	Yes
Housing Accreditation Funds	Dept of Human Settlement	-929 044	1 127 936	Yes
Municipal Finance Management Grant	National Government	-1 600 000	1 600 000	Yes
Expanded Public Works	National Government	-4 032 000	4 032 000	Yes
Municipal Infrastructure Grant	National Government	-40 950 000	40 950 000	Yes
Integrated National Electrification Programme	National Government	-7 000 000	7 000 000	Yes
Municipal Systems Improvement Grant	National Government	-934 000	934 000	Yes
Museum Subsidy	Dept of Arts & Culture	-151 000	151 000	Yes
Neighbourhood Development Partnership Grant	National Government	-17 903 000	17 903 000	Yes
Lottery Funding	Lottery Funding	-	1 114 941	Yes
Ladysmith Black Mambaso	Dept of Arts & Culture	-104 200	10 810	Yes
Disaster Recovery Grant	Dept of Arts & Culture	-31 346 000	31 223 709	Yes
		-231 866 244	237 918 886	